

**LOCAL FUND AUDIT, GANJAM, ODISHA**

CATEGORY : N A C,General

Audit Report No : 377205/AR/2017-2018-GANJAM

**PARA: 1 TITLE SHEET**

1	Name of the Institution :	<b>Digapahandi NAC</b>
2	Year of Accounts under Audit :	<b>2016-2017</b>
3	Name of the Local Authority during the year of A/Cs :	1. SRI PURNA CHANDRA SAHOO EXECUTIVE OFFICER FROM 1.04.2016 TO 6.04.2017 PRESENT-OSFC, CUTTACK
	Name of the Local Authority at the time of Audit :	SRI PRAKASH KUMAR DASH EXECUTIVE OFFICER FROM 6.04.2017 TO TILL DATE
4	Duration of Audit :	31-03-2018 To 13-04-2018 (Mandays Consumed :- 11.5)
5	Name of the Auditors :	ASESH KUMAR PATTANAİK - Lead Auditor(31-03-2018 to 13-04-2018) SRI BHAGIRATHI SAHU - Auditor(31-03-2018 to 13-04-2018)
6	Name of the Reviewing Officer :	JAGANNATH DASH(District Audit Officer)
7	Date of submission of report by Reviewing officer :	04-05-2018
8	Entry Conference Date :	27-02-2018
9	Exit Conference Date :	25-05-2018
10	Name of the District Audit Officer :	JAGANNATH DASH
11	Date of approval of report by District Audit Officer :	28-05-2018

**PARA: 2 PHYSICAL VERIFICATION**

S/no	Items	Date Of Physical verification Before / After Transaction	Physical Balance	Balance As per Cash Book / Stock Register	Reference To The Page No Of Cash Book / Stock Register	Discrepancies If Any
1	HOLDING TAX RECEIPT BOOK	31.3.2018 BT	12	12	SRP-14	NIL
2	MARKET FEES RECEIPT BOOK	31.3.2018 BT	08	08	SRP-30	NIL
3	FEE RECEIPT BOOK OF RS. 10.00 EACH	31.3.2018 BT	307	296	SRP-40	11
4	FEES RECEIPT BOOK RS. 5.00	31.3.2018 BT	50	50	SRP-06	NIL
5	ServicePostage Stamps	31.3.2018 BT	RS.55.00	RS. 55.00	SRP-24	NIL
6	Miscellaneous Receipt Books	31.3.2018 BT	25	25	SRP-44	NIL
7	cash in hand	31.3.2018 BT	22180.00	22180	Cashiers cash book,page No-68	nil
8	Measurement Books	31.3.2018 BT	21	21	SRP-29	NIL

**Comments**

**Reason of difference of market fees receipt of Rs. 10.00**

Book no 150 to 160 i.e 11 nos of books are printed as denomination Rs. 5.00. Hence the Local Authority is advised to deduct these 11 numbers of books from Rs. 10 stock and add these in fees receipt book Rs.5.00 with due certification to avoid the discrepancy.

As required under Rule 20 Of Odisha Local Fund Audit Rule 1951,the physical verification of cash in hand, unused receipt books, unused measurement books, cycle & rickshaw token and service postage stamps, etc has been conducted on the date of commencement of audit i.e on 31.3.2018 before transaction and the result of verification is as above. The details of physical verification of cash has been recorded at page91 of the accountant cash book The cashier shall maintain a subsidiary cash book in Form No. V-A as prescribed for recording in separate columns all the amounts received by him, the details of which are to be entered in Form-V and their subsequent remittance into the treasury/ bank as well as money withdrawn through self-cheques and their subsequent disbursement. All the cash transactions are to be taken to the subsidiary cash book daily and entries checked and attested by the head ministerial officer and signed by the E.O.(u/r 128-A). But it is noticed that in this NAC no separate subsidiary cash book as prescribed has been maintained in this NAC nor it has been signed by the EO.

**INTRODUCTORY , :-**

**Geography**– Digapahandi is a town and a notified area committee in Ganjam district in the state of Odisha, India. Topographically, this town is located between of latitude 19.377738 and longitude 84.566767. It has an average elevation of 53 metres (173 feet).State Highway – 17 passesy through Digapahandi town. There are numbers of temples & tanks situated in this town. Digapahandi town is a major tourist bus junction of Taptapani, Girangaa, Daringibadi, Rayagada, Koraput etc. True to its name, this beautiful town of Ganjam district surrounded by hills and is bounded by Padmanabhapur Village on the North, Ratnei Changudi Dei Hills on the West and Ankorda Village (Rajpur) on the South and Anagapur Village on the East

**Demographics**- As per report released byCensus India 2011, Digapahandi Notified Area Committee has population of 13,190 of which 6,679 are males while 6,511 are females. Population of Children with age of 0-6 is 1454 which is 11.02 % of total population of Digapahandi (NAC), the female sex Rrtio is of 975 against state average of 979. Moreover Child Sex Ratio in Digapahandi is around 903 compared to Orissa state average of 941. Literacy rate of Digapahandi city is 78.36 % higher than state average of 72.87 %. In Digapahandi, Male literacy is around 85.61 % while female literacy rate is 70.98 %. Most families of this small town are cultivators and farmers. There are no industries in this area. This being a junction for the State Highways, some people depend on it for business.

**Para1.1 :- Demographic information - POM-5**

Name Of The Institution -	Digapahandi NAC
Area In sq Km –	14.00
No of Wards -	11

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Total Population of the Institution -	13190
Total Female Population -	6511
Total Male Population -	6679
SC Population -	2287
SC Female Population -	1127
SC Male Population -	1160
ST Population -	136
ST Female Population -	68
ST Male Population -	68
Minority Population -	00
Minority Female Population -	00
Minority Male Population -	00
General Population -	10767
General Female Population -	5316
General Male Population -	5451

**Digapahandi NAC** was constituted w.e.f. 01.03.1973 with accordance with Notification No. 3512(3), dtd. 27.03.1973 of Government in Local Self Government Department, Odisha consisting of three revenue village i.e. Digapahandi, Gada Chaitnyapur Sasana & Nimapalli. This NAC has divided into eleven (11) No.s of wards basing on equitable population & geographical condition. Thus at present the NAC consists of eleven number of wards represented by eleven councillors among them two are being elected as Chairman and Vice-chairman respectively. Digapahandi NAC has total administration over 2,955 houses. The NAC is entrusted with the duties to provide basic civic services like sanitation, street lighting, roads, etc. and also takes part in developmental activities within its jurisdiction.

Thus committed to ensure effective planning and development by providing adequate infrastructure through various flagship schemes such as; Road Development Grant, BRGF, FCA, etc.

**Mrs. Sunita Sethy** is holding the post of Chairperson of this NAC and Sri. Pradipta Kumar Pattanaik as Vice-Chairman after election of the General Election to ULBs 2013

**PARA: 3 LIST OF VERIFIED RECORDS**

**A : List Of Verified Records/Register**

Sino	List Records/Register	Rules	Form No
1	Measurement Book	Rule 365	Form W-VIII
2	Register of Works	Rule 345	Form W-VI
3	Stock & Store Register of Municipality	Rule 346	Form W-VII
4	Contract Certificate	Rule 343	Form W-IV
5	Miscellaneous Supply Bill	Rule 343	Form W-V
6	Contract Agreement Form	Rule 341	Form W-III
7	Stock account of Receipt Forms	Rule 196	Form L
8	Tax collector's daily collection register	Rule 192	Form K
9	Tax Receipt Form	Rule 188	Form I
10	Register of writes off of demands	Rule 190	Form J
11	Stock Register of Stationery	Rule 172	Form No. XLIV
12	Stock account of Tickets used for daily collection of Market fees	Rule 171	Form No. XLIII
13	Stamp Account	Rule 172	Form No. XLIV
14	Register of Grants	Rule 80	Form No. XLII
15	Daily Collection Register	Rule 171	Form No. XL
16	Miscellaneous Receipts	Rule 157	Form No. XXXIV
17	Register of Lands	Rule 160	Form No. XXXV
18	Register of Outstanding Advances	Rule 140	Form No. XIX
19	Register of adjustments	Rule 132	Form No. XVII
20	Advance Ledger	Rule 136	Form No. XVIII
21	Cash Book of the municipality	Rule 125	Form No. XIV
22	Salary Bills	Rule 97	Form No. IX
23	Absentee Statement	Rule 97	Form No. X
24	Challan	Rule 87	Form No. VI
25	Register of Bills	Rule 96	Form No. VII
26	Cashier's Cash Book	Rule 81	Form No. V
27	Schedule for the Budget Estimate	Rule 77	Form No. III
28	Budget Estimate	Rule 74	Form No. I
29	Abstract of the Budget Estimate	Rule 74	Form No. I-A

**B : List of Records/Registers not Produced to Audit**

Sino	List Records/Register	Rules	Form No
1	Subsidiary Cash Book	Rule 128 A	Form No. V-A

**C : List of Records/Registers not Maintained**

Sino	List Records/Register	Rules	Form No
1	Nominal Muster Roll (NMR)	Rule 340	Form W-II
2	Register of Distrained property & sales	Rule 204	Form S
3	Register of Estimates & Allotments	Rule 332	Form W-I
4	Form of inventory & Notice	Rule 203	Form Q
5	Warrant register	Rule 202	Form R
6	Distraint Warrant Register	Rule 202	Form P
7	Notice of demand for tax u/s-161 of OM Act	Rule 202	Form O
8	Progress statement of collection of taxes	Rule 200	Form N
9	Tax collector's Ledger	Rule 198	Form M
10	Arrear Demand Register	Rule 187	Form H
11	Mutation Register	Rule 184	Form G
12	Register of Petitions	Rule 183	Form F
13	Form of appeal petition	Rule 183	Form E
14	Demand and Collection Register	Rule 178	Form B
15	Tax Ledger (personal A/C of Tax Payers)	Rule 178	Form B(I)
16	Assessment List	Rule 177	Form A
17	Register of Interest Bearing Securities	Rule 147	Form No. XLI

18	Arrear List	Rule 170	Form No. XXXIX
19	Ledger of Lessees	Rule 170	Form No. XXXVIII
20	Jamabandi Register	Rule 170	Form No. XXXVII
21	Register of Rents for which there is fixed demand	Rule 163	Form No. XXXVI
22	License Register for Drivers and Owners of Carriages plying for hire	Rule 156	Form No. XXXIII
23	Stock account of License Number Plates	Rule 155	Form No. XXXII
24	Application for License for Carriage, Cart, Horses and Other animals	Rule 152	Form No. XXXI
25	License for Carriages, Carts, Horses Other and animals	Rule 154	Form No. XXX
26	Register of the Tax on Carriages, Carts, Horses and Other animals	Rule 151	Form No. XXIX
27	Appropriation Register of Loan Funds	Rule 150	Form No. XXVIII
28	Loan Register	Rule 149	Form No. XXVII
29	Register of Investments	Rule 148	Form No. XXVI
30	Establishment Audit Register	Rule 146	Form No. XXV
31	Annual Account of Receipts and Expenditure	Rule 145	Form No. XXIV
32	Register of Quarterly & Annual account of Expenditure	Rule 144	Form No. XXIII
33	Register of Quarterly & Annual account of Receipt	Rule 144	Form No. XXII
34	Register of outstanding deposits	Rule 143	Form No. XXI
35	Deposit Ledger	Rule 142	Form No. XX
36	Abstract Register of Expenditure	Rule 129	Form No. XVI
37	Abstract Register of Receipts	Rule 129	Form No. XV
38	Voucher of Recoupment of Permanent Advance Account	Rule 110	Form No. XIII
39	Permanent Advance Account	Rule 108	Form No. XII
40	Periodical Increment Certificate	Rule 99	Form No. XI
41	Order Book	Rule 96	Form No. VIII
42	Subsidiary account of special taxes	Rule 79	Form No.-IV

**D : List of Records/Registers not Required**

Sino	List Records/Register	Rules	Form No
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**Comments**

PARA: 3 LIST OF VERIFIED RECORDS

Most of the important registers have not been maintained or maintained in a haphazard / incomplete manner although they are mandatory to be maintained in the NAC as per O.M.Rules 1950 & regulation. Production of records and registers and other forms etc were called for audit vide POM the local authority remained silent in some cases, in case of Abstract Register of Receipts, Abstract Register of Expenditure, Assets Registers, Register of Detained property & sales, outstanding advance, outstanding deposits, Register of Investments and other records & registers as mentioned above the local authority admitted that it is not maintained and will be maintained henceforth and produced to next audit .Due to non maintenance of above mandatory & statutory records, audit faced difficulty to arrive at the actual position of grants, advance outstanding, ,Utilisation certificate outstanding for submission, receipts and expenditures etc as required by Govt.

In case of registers like, Register of Grants it has been maintained in proper format, detail entries have not been d etc. nor any of the registers countersigned by higher authorities

For such lapses Sri Sri Purnachandra Sahoo, Ex-EO is responsible

As per Rule 175(5)(i) of OGFR Voulme -I and FD OM. No. - Code-55/80-55088-F dated 30.10.1980, the grantee institutions should maintain register in Form No. OGFR 30(A) of the permanent and Semi Permanent assets acquired wholly or substantially. As per scheme guidelines, the assets created out of Govt. of India or Govt. of Odisha grants should be duly entered in the asset register, by showing the details of the source of expenditure, date of commencement and completion of works and handing over of the asset etc. In response to POM the local authority stated that it will be maintained, d and produced to next audit. The local authority is suggested to ensure it.

Further as per Govt instruction asset register should be maintained by every institution, in order to evaluate the success of a particular scheme. Moreover Rule 71(a)B,C of OMAR-2012 categorically prescribed a format for maintenance of the same. The local authority has been instructed to maintain the same with the help of accountant and other staff and produce it to next audit. In response to POM the local authority assured to maintain it.

- 2) Half yearly physical verification of stock & stores have not been conducted as required under Rule 346 of O.M.Rule 1953, which should be conducted at a regular intervals of 6 months.
- 3) DCR register of Taxes, rents, D & O (both arrear and current) have not been maintained since long. 4) Reconciliation of accounts figures with collection figures of DCB was not done as required under Rule 199 to 201 of OM Rule 1953.
- 5) Demand list of License fees as required under section 290 of Odisha municipality Act 1950 (both arrear and current) have not been maintained since long nor prepared before the beginning of the year.
- 6). Arrear demand were not checked by the E.O. as required under Rule 187 of OM Rules 1953.

Recommendation - Regular accounts training needs to be provided to every staff of the NAC who deal with the accounts matter, specially the accountant. The Executive Officer and other higher authority are to personally look into the matter and review the work load, assign duty and responsibility to all staff at regular intervals so that all prescribed registers, records etc are maintained in the proper format henceforth.

**PARA: 4 FINANCIAL POSITION**

Digapahandi NAC - 2016-2017

S/no	Name of the Cash Book	OB as on Date	Opening Balance(In Rs:)	Receipt during the Year under Audit(In Rs:)	Total(In Rs:)	Expenditure during the Year under Audit(In Rs:)	Closing Balance as per Audit (DD MM YYYY)	Closing Balance(In Rs:)(AUDIT)	Closing Balance as per (DD MM YYYY) Cash Book	Closing Balance(In Rs:)(CASH BOOK)	Difference (In Rs:)	Remarks
1	Accountants cash book	01-04-2016	65616758.00	70454709.14	136071467.14	40892008.00	31-03-2017	95179459.14	31-03-2017	95179459.34	-0.20	No discrepancy
	<b>GRAND TOTAL</b>		<b>65616758.00</b>	<b>70454709.14</b>	<b>136071467.14</b>	<b>40892008.00</b>		<b>95179459.14</b>		<b>95179459.34</b>	<b>-0.20</b>	

**Comments**

4.1 - The details of closing balance as on 31-03-2017

SI No	Particulars	Amount as per audit	Amount as per cash books	Difference
1	Cash	15870.00	15870.00	0.00
2	Treasury	17068173.44	17068173.44	0.00
3	Bank	78095715.90	78095715.90	0.00
	Total	95179759.34	95179759.34	000

A single cash book has been maintained for all schemes and subsidiary cash books have not been maintained in this NAC. The funds kept in bank in different pass books as well as treasury, position as per the cash books and as per the pass books are dealt in Para-5. The detailed statement of abstract of both receipt and expenditure in respect of Accountant cash book is furnished in Annexure - I & II attached to this report.

**4.2.1 - Double Entry Accrual Base Accounting system (DEABAS)-**

As per H & UD Department Govt. Order No. 24970/HUD BBSR dt. 7.8.13. Double entry accrual based accounting system (DEABAS) as per Odisha Municipal (Accounts) Rules 2012 shall be effective in Digapahandi NAC with effect from 01.10. 2013. But from verification of accounts it was found that DEABAS has been implemented in this NAC during the financial year 2015-16 i.e. as on from 01.04.2014. Specific attention is drawn to Rule 67 of Odisha Municipal(Accounts) Rules 2012, cheque signing authorities and the Executive Officer should ensure maintenance of all records as per requirement under DEABAS before signing and issue of cheques. It has been categorically instructed that any payment / issue of cheques without resorting to DEABAS w.e.f 1.10.2013 shall attract disciplinary action against the official concerned. Lastly it has been directed in the said G.O. that non implementation of the DEABAS in compliance to Odisha Municipal Accounts Rule 2012 as stated above shall also attract with holding of grants- in- aids by Govt. to the defaulting ULBs. The important forms and registers as per OMAR-2012 should be immediately maintained since it violates the Govt. Order which was to be maintained w.e.f. 01.10. 2013. But it is praise worthy to mention here that the manual cash book as per DEABAS has been implemented in Digapahandi NAC during the financial year 2016-17, which has been maintained as a single entity. However the cash book under DEABAS in Tally Software has been maintained since 01.04.15 as stated by the local authority.

4.2.2 – Merits and Demerits in the maintenance of cash book of this NAC as follows:-

**Merits**

- The closing balance at the end of the month and at the end of the year has been mentioned in the cash book during the year under audit.
- Transfer/Credit or amount from one pass book to another always shown in expenditure side and corresponding credit entry is made in the receipt side or in inner column.
- Adjustment receipt arrived from different work bills; salary bill has been taken to the receipt side of the cash book.

**Demerits**

No subsidiary cash book maintained scheme wise to keep proper watch of grants expenditure.

On issue of objection statement the executive officer admitted the above omission & commission and assured to rectify the same. Therefore the executive office is advised to look into this matter personally and see that the cash books are maintained as per rules.

**4.3- Liquid Assets and Liabilities :-**

ASSETS		
1.Closing Balance of the Accounts cash Book(Excluding Investments)		95163889.34
2.Cash in hand of the Accountant Cash book and Cashiers Cash Book		15870.00
3.Outstanding advance as on 31.3.17(para-8)		1315319.41
4. Investment(Para-7)		1675.00
5. Flexi account deposit		4000000.00
5. Outstanding taxes and Fees as on 31.3.17		
i) Taxes	3952683.28	
ii)Fees	146500.00	
Total	4099183.28	
(-) Provision of bad debts 10%	409918.32	
Total	3689264.96	3689264.96
Grand Total		104186018.71
LIABILITIES		
1.Unspent Govt. Grant (Para-9)		82868928.28
2.Outstanding Loans for repayment(para-19.2)		
i)Principal	2074307.00	
ii)Interest	3323432.00	
Total	5397739.00	5397739.00
3. Outstanding deposits for refunds(Para-19.3)		1966489.31
4.Outstanding Govt.dues for deposits(19.3)		234090.00
5. Salary/DLR/Pension Payble(March-17)		763471.00
6.Energy Charges Payble(March-17)		1084794.00
7.Water supply Bills Upto March-17		102446.00
8.Arrear of staffs		0.00
9.Old Age Pension		2029300.00
Total		94447257.59
ASSETS over Liabilities		9738761.12

From the above matrix of assets and liability it is seen that the assets of this NAC is excess over liabilities to the tune of Rs.9738761.12 which speaks that the financial position of this NAC is satisfactory. However this could increase further has the outstanding loans repaid, outstanding dues collected, advance adjusted as well as utilisation of grants as and when received thereby creating assets as well. The local authority is advised to take adequate steps for better collection of taxes, rent and fees, early realisation of outstanding advances so as to further enhance the financial condition of the NAC. Further the assessment and collection of taxes need to be regulated in accordance with Rule-175 to 206 of O.M.Rules-1953. The council is suggested to take effective steps for revaluation of holding, light and water taxes as required under section 145 of OMAAct-1950 .Apart from that no wasteful expenditure should be incurred by the council without prior approval of the Govt. as per section 117(A) of OM Act. If the financial status of this NAC increases further it would be in a better position to provide better services to the urban people.

**4.4- Annual Budget :-**

Budget ( Section 104 to 110 of O.M. Act, 1950 and Rule 74 to 80 of OM Rules, 1953)

1. Section-104:- Presentation and sanction of budgets.
2. Section-107:-Sanction of budget estimate.
3. After expiry of 14 days (since presentation before the NAC), the NAC shall sanction the estimate and submit forthwith to the State Government.
4. Section-109:- Provides for approval of the budget estimate by the State Government
5. Section-109-A:-Procedure to be followed where the budget is not sanctioned.
6. If for any reason the budget is not sanctioned before the date prescribed under sub-section (1) of Section 107 the District Magistrate shall call for the budget from the Executive officer, sanction and submit to the State Govt.

At least two months before the close of year, the Chairperson shall present before the NAC a complete account of its probable receipts and expenditure for the following financial year together with the actual of the current year.

But it is observed that the budget for the year 2016-17 has been prepared and put up for approval by the council on 04.03.16 and passed by the council on 04.03.16 (Resolution No.1/Dt.04.03.16) and was put up for public view, no objection & suggestions were received within the stipulated days. The Budget has been sent to the PD, District Urban Development Agency(DUDA), Ganjam vide letter No.501/Dt.10.3.16 and to Govt. H & UD Deptt. Vide memo No.502/Dt.10.3.16. The same was forwarded to Govt. H & UD Deptt. by the PD, DUDA, Ganjam, vide their letter No.2807/DUDA/Dt.27.4.16. which was approved by the Govt. H & UD Deptt vide Letter No.30517/HUD/Dt30.12.2016.

#### Budget Estimates:-

#### Receipts

SI No	Heads of Account	Budget Estimate	Actual Receipt	Excess/Less
1	2	3	4	5
1	Rates & Taxes	3216679.00	1787347.90	1429331.10
2	Licence & other fees	245369.00	484837	-239468.00
3	Receipt under special act & revenue derived from NAC properties	1481060.00	1069654.00	411406.00
4	Grants	39711700.00	54285524.00	-14573824.00
5	Miscellaneous	381000.00	9278728.24	-8897728.24
6	Extraordinary and debt	790000.00	3548618.00	-2758618.00
	Grand Total	45825808.00	70454709.14	-24628901.14

#### Expenditure

SI No	Heads of Account	Budget Estimate	Actual Expenditure	Excess/Less
1	2	3	4	5
1	General Administration	10866411.00	9039986.00	1826425.00
2	Public Safety	3800000.00	2731270.00	1068730.00
3	Public Health	9792792.00	5814518.00	3978274.00
4	Public Convenience & dev Works	19873002.00	10601407.00	9271595.00
5	Public Instructions	56000.00	127556.00	-71556.00
6	Miscellaneous	811946.00	5633656.00	-4821710.00
7	Extra ordinary & debt	1091592.00	6943615.00	-5852023.00
	Grand Total	46291743.00	40892008.00	5399735.00

Lack of coherence between estimated receipt and actual receipt

As per Rule-56 of Odisha Budget Manual, the estimation of fixed revenue should be based upon the actual demand including arrear and the probabilities of their realisation during the year. Odisha Budget Manual read with Section-108(a) of the Odisha Municipal Act, 1950 stipulates that the estimate of income and expenditure should be reasonable and proper.

Further, the said rule of the Odisha Budget Manual stipulates that the Budget estimates of revenue and receipts should be based on the existing rates of taxes,

duties and fees, etc., and no increase or reduction in such rates and no proposals for abandonment of revenue which have not been sanctioned by Government should be proposed in the estimates.

**Minimum closing balance:**

Rule 78 of the Odisha Municipal Rules, 1953 states that in preparing the budget, provision shall be made for a minimum closing balance. The amount shall not ordinarily be less than one-sixth of the aggregate on account of establishment and fixed monthly charges for the whole year. But on scrutiny of the Budget estimate for the year 2016-17 the budget has been prepared in an un-realistic manner

**4.5- Non Creation Of Sinking Fund:-**

As per Section 111 of O.M. Act, 1950, read with Rule 20(d) of O.L.F.A. Rules, 1951 a provision should have been made for creation of Sinking Fund which is to be utilized for redemption of huge outstanding loans. In response to POM the local authority stated that no such fund is maintained in this NAC. No such sinking fund has been created for redemption of huge outstanding Loan amounting to Rs.5397739.00 out-standing as on 31.03.2016. Therefore the Local Authority is suggested for creation of sinking Fund.

**4.6 - Creation of depreciation fund :-**

No such fund has been created by this NAC to replenish assets.

**PARA: 5 DETAILS OF CLOSING BALANCE AS PER BANK PASS BOOKS & CASH BOOK BANK BALANCE FIGURE**

Digapahandi NAC - 2016-2017

S/no	Name of the Bank	A/C No.	Closing Balance Date As on (dd/mm/yyyy)	Closing Balance in Pass Book(In Rs:) (A)	Closing Balance in Bank Date Cash Book (dd/mm/yyyy)	Closing Balance in Bank as mentioned in Cash Book(In Rs:) (B)	Difference(In Rs:)(A-B)	Remarks
1	SBI ,DIGPAHANDI	30336234093	31-03-2017	768227.00	31-03-2017	768227.00	0.00	NON LFS PENSION
2	SBI ,DIGPAHANDI	30390515181	31-03-2017	7280356.00	31-03-2017	7280356.00	0.00	MLALAD
3	CANARA BANK, DIGAPAHANDI	0394101009984	31-03-2017	46145.00	31-03-2017	46145.00	0.00	OWN FUND
4	SBI ,DIGPAHANDI	30318483337	31-03-2017	1071045.00	31-03-2017	1071045.00	0.00	BRGF
5	CANARA BANK, DIGAPAHANDI	0394201000246	31-03-2017	20173.00	31-03-2017	20173.00	0.00	
6	RGB,PADMANAVPUR	13531060211	31-03-2017	48859.00	31-03-2017	48859.00	0.00	
7	CANARA BANK, DIGAPAHANDI	0394101008001	31-03-2017	55090.00	31-03-2017	55090.00	0.00	HARISCHANDRA
8	CANARA BANK, DIGAPAHANDI	0394101012488	31-03-2017	94066.00	31-03-2017	94066.00	0.00	SPECIAL PROBLEM FUND
9	CANARA BANK, DIGAPAHANDI	0394101000499	31-03-2017	660693.40	31-03-2017	479488.40	181205.00	OWN FUND
10	CANARA BANK, DIGAPAHANDI	0394101021122	31-03-2017	9507838.00	31-03-2017	9507838.00	0.00	13th FINANCE
11	CANARA BANK, DIGAPAHANDI	0394101021613	31-03-2017	4122429.00	31-03-2017	4122429.00	0.00	ROAD DEVELOPMENT
12	CANARA BANK, DIGAPAHANDI	0394101024025	31-03-2017	248806.00	31-03-2017	248806.00	0.00	BRGF CAPACITY BUILDING
13	CANARA BANK, DIGAPAHANDI	039410123477	31-03-2017	5029097.00	31-03-2017	5029097.00	0.00	OCTREI COMPENSATION
14	CANARA BANK, DIGAPAHANDI	0394101027543	31-03-2017	525237.00	31-03-2017	525237.00	0.00	SOLID WASTE MANAGEMENT
15	CANARA BANK, DIGAPAHANDI	0394101027541	31-03-2017	1341418.00	31-03-2017	1341418.00	0.00	MV TAX
16	ANDHRA BANK DIGAPAHANDI	136910100087088	31-03-2017	1327374.00	31-03-2017	1327374.00	0.00	DEVOLUTION OF FUNDS
17	ANDHRA BANK DIGAPAHANDI	136910100087097	31-03-2017	53702.00	31-03-2017	53702.00	0.00	FESTIVAL GRANT
18	ANDHRA BANK DIGAPAHANDI	136910100090019	31-03-2017	3437367.00	31-03-2017	3437367.00	0.00	SBM
19	ANDHRA BANK DIGAPAHANDI	136910100090231	31-03-2017	284605.00	31-03-2017	284605.00	0.00	OULM
20	ANDHRA BANK DIGAPAHANDI	136910100091391	31-03-2017	2849205.50	31-03-2017	2849205.50	0.00	14th finance commission
21	AXIS BANK, DIGAPAHANDI	916020027960666	31-03-2017	9431461.00	31-03-2017	9431461.00	0.00	OAP
22	AXIS BANK, DIGAPAHANDI	915010055275118	31-03-2017	1268237.00	31-03-2017	1268237.00	0.00	PBI
23	AXIS BANK, DIGAPAHANDI	916020008775304	31-03-2017	2920000.00	31-03-2017	2920000.00	0.00	DEV FUND UNDER 4th SFC
24	AXIS BANK, DIGAPAHANDI	916010016226642	31-03-2017	1259577.00	31-03-2017	1259577.00	0.00	CREATION OF CAPITAL ASSETS
25	AXIS BANK, DIGAPAHANDI	916010016078472	31-03-2017	705378.00	31-03-2017	408044.00	297334.00	MNT OF CAPITAL ASSETS
26	AXIS BANK, DIGAPAHANDI	916010016316800	31-03-2017	76890.00	31-03-2017	76890.00	0.00	BASIC SERVICES
27	SBI ,DIGPAHANDI	34654400388	31-03-2017	15306.00	31-03-2017	15306.00	0.00	EPF AND TDS
28	AXIS BANK,	916020049117	31-03-2017	22860000.00	31-03-2017	22860000.00	0.00	NEW BUS

	DIGAPAHANDI	464						TERMINAL
29	PLACCOUNT		31-03-2017	17068173.44	31-03-2017	17068173.44	0.00	PL ACCOUNT
30	CANARA BANK, DIGAPAHANDI	039410102584 8	31-03-2017	1265673.00	31-03-2017	1265673.00	0.00	DEDUCTION ACCOUNT
	<b>GRAND TOTAL</b>			<b>95642428.34</b>		<b>95163889.34</b>	<b>478539.00</b>	

**Reconciliation**

Cheques issued but not en-cashed within 31.03.2017

A/C NO	Cheq No/Date	Amount
0394101000499	316824/27.2.17	10000.00
	316830/6.3.17	22295.00
	316852/18.3.17	28272.00
	316855/18.3.17	108900.00
	316856/18.3.17	11738.00
916010016078472	13882/31.3.17	144737.00
	13881/31.3.17	152597.00
	Total discrepancy	478539.00

**5.1. 3. Reconciliation -**

As required under OM rule reconciliation between cash book and pass book at the end of each month and at the end of the financial year is mandatory for auditee organisation. It is a good sign that this NAC has worked out the bank Reconciliation position at the end of each month as well as at the end of the Financial Year.

**5.2- Transactions not made through PL account:-**

As per Rule 85(1) of the OM Rules, 1953, all moneys received on account of the Municipality should be remitted intact to the treasury immediately. But during year under audit it is seen that funds collected through receipt books are directly deposited in bank account other than the PL. account deviating the above provision. . In response to POM- the local Authority stated that as per the instruction of Govt and to acquire more interest all money received on behalf of NAC has been parked in bank accounts and all transactions are being made from PL account then through bank accounts during 2017-18.

**5.3- Non Maintenance of Flexi Account :-**

As per letter no. 35425/F, dtd.12.10.2012, all Departments were asked to instruct the implementing agencies which are authorised to keep the central share and state share or only central share of the centrally sponsored plan schemes kept in bank accounts, to keep them in flexi accounts so that higher interest accruals from the scheme funds can be ploughed back to expand the coverage of the scheme without affecting fund flow for the scheme. On checking of fund position it is seen that centrally sponsored scheme like BRGF, NOAP/IGNWP, etc are kept in savings bank accounts as well as current bank accounts instead of Flexi account for which higher interest amount could not be arrived . Two numbers of accounts were kept in current accounts out of which one current account has been closed on 21.08.15 the other current account is still functioning for which the NAC is losing on interest. Therefore the Local Authority is advised to immediately convert/close the current accounts as well as all inoperative accounts and maintain single scheme single accounts and operate flexi account to acquire more interest to expand scheme fund by acquiring more interest.

In response to POM the local authority stated that no transactions are being made through the current account and will be closed shortly.

**5.4- Cash and account branch of the NAC have been kept distinct:-**

As per Rule 68 of the Odisha Municipal Rules, 1953 the cash and account branches office shall be kept distinct from each other and under different officers who, for the purpose of these Rules, shall be termed respectively, cashier and accountant. But during the year covered under audit as well as at the time of audit it is noticed that in this NAC the cash and account section are being operated separately by two different persons.

PARA: 6 **STOCK POSITION**

Digapahandi NAC - 2016-2017

S/no	Material/ Item	Opening Balance	Receipt	Issued	Closing Balance As per Audit	As per stock register	Remarks
1	As stated	0	0	0	0.00	0	

**Comments**

Stock position Electrical Material							
Sl. No	Item	O.B.	Receipt	Total	Issued	CB	Page No.
1	S.L.Holder	25	0	25	0	25	46
2	Barlight	5	30	35	30	5	46
3	Starter	21	0	21	4	17	46
4	Side Holder	28	0	28	14	14	46
5	2.5 PVC Wire	776	0	776	184	592	46
6	Bar fitting	1	0	1	0	1	46
7	Bar bracket	8	0	8	0	8	46
8	250 wt. HP Bulb	2	10	12	6	6	46
9	250 wt. chock	1	5	6	0	6	46
10	250 wt. Ignator	13	0	13	7	6	46
11	250 wt. capacitor	0	20	20	3	17	46
12	T-5 Bracket	49	0	49	15	34	46
13	Bar Clamp	12	0	12	0	12	46
14	Nut Bult	3	0	3	3	0	46
15	Ele. Chock	11	25	36	27	9	46
16	400 wt. HPSV Chock	6	0	6	0	6	46
17	150 wt. HP Bulb	2	12	14	4	10	46
18	150 wt. HP Chock	5	0	5	2	3	46
19	T-5 Fitting	0	0	0	0	0	46
20	T-5 Bulb	3	160	163	93	70	46
21	HM 400 wt. bulb HM	10	0	10	0	10	46
22	400 wt. capasitor	4	0	4	0	4	46
23	400 wt. Ignator	5	0	5	4	1	46
24	T-5 Holder	21	50	71	23	48	46

25	T-5 Chock	16	100	116	116	0	46
26	400 wt. HP holder	7	0	7	3	4	46
27	T-5 fitting	6	0	6	6	0	46
28	T-5 Bracket	0	0	0	0	0	46
29	T-5 Clamp	301	0	301	34	267	46
30	Tarvin Capacitor	50	50	100	0	100	46
31	LED lighting fitting	0	40	40	39	1	46

Stock position of Sanitary consumble Item

Sl. No	Item	O.B.	Receipt	Total	Issued	CB	Page No.
1	Bleaching Powder	21	25	46	46	0	9
2	Phynile	200	50	250	70	180	11
3	Larva Killer	0	50	50	50	0	11
4	Wheel Borrow	0	12	12	12	0	11

Stock position sanitary Machinery

1	Tractor	1	0	1	0	1	
2	Trolley	1	0	1	0	1	
3	Cess-Pool (3500 ltr.)	1	0	1	0	1	
4	Water Tanker	1	0	1	0	1	
5	Revolving G.I. Sheet Dustbin	98	0	98	0	98	
6	Spray Machine	1	0	1	0	1	
7	Fogging Machine	1	0	1	0	1	

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**Irregularities noticed**

1. No physical verification of stock and store has been made during the year 2015-16. As per rule 111 of OGFR Rules physical verification of all stores should be made at least once in a year by the Head of office concerned or such other officer as may be specially authorized by him on his/her behalf.
2. During the course of Audit it is noticed that electrical and sanitary materials have been purchased during the year 2016-17 which has been entered in the stock register. On further scrutiny it disclosed that "half yearly physical verification of stock & stores have not been conducted as required under Rule 346 of O.M.Rule 1953, which should be conducted at a regular intervals of 6 months. In absence of half yearly physical verification of stocks and store and certificate of competent authority, the authenticity of physical balance could not be ascertained, which may provide a scope for loss of stock and store. The sanitation items as received are immediately issued to the sanitation Zamadar who in turn has not maintained any register regarding receipt, complaints, acknowledgements, issue, site registers et. Moreover it is also noticed that, although the electrical purchases are entered in the stock register but the site account relating to utilisation of the same has not been maintained, nor the stock has been issued against complaint received hence the authenticity of issue cannot be said to be correct. The local authority is suggested to personally look into the above cases. The items should only be issued as against complaints received, then after the complaints are solved items fitted it should be acknowledged by inhabitants of the concerned area. But no complaint register etc has been maintained in this NAC, hence the issues cannot be said to be genuine in absence of the above. Again it is noticed that as on 31.03.2017 there is a huge quantity of electrical goods in stock. Hence it is suggested to the EO that all codal provisions be followed and to properly maintain the stock register and action taken for utilisation of same and shown to next audit. It is also noticed that the store (in-charge) is in charge of both electrical stock, sanitation stock which has been entrusted to a retired person, which should be de-centralized among other staffs in order to check the proper utilization of stock. As per Rule 269 of O.G.F.R., subject to any special rules or order made by Government in this behalf, every cashier, store-keeper and other subordinates who are entrusted with the custody of cash or stores should be required to furnish security, the amount being regulated according to circumstances and to local conditions in each case under the sanction of competent authority and to execute bond setting forth the conditions under which government will hold the security and may ultimately refund or appropriate it. But in this NAC this rule has not been followed.

**Dead Stock Register**

As per Rule 106 of O.G.F.R., an inventory of the dead stock should be maintained in all Government offices in form O.G.F.R. 6 showing the number received, the number disposed of (by transfer, sale, loss, etc.) and the balance in hand for each kind of article. As per Rule 106 (iii) of O.G.F.R., the inventory should be checked by the competent administrative authority once a year and a certificate of the result of check recorded. As per Rule 106 (iv) of O.G.F.R., articles of dead stock should be verified at least once in a year and the result of verification recorded on the inventory. All discrepancies noticed must be properly investigated and brought to account immediately so that the inventory may represent the true account. But it noticed that the dead stock register has not been maintained, which needs to be maintained in the prescribed format and produced to next audit. In response to POM-the local authority remained silent assured to maintain the same. The local authority is suggested to follow the above and conduct physical verification at regular intervals of time to avoid any kind of misappropriation in future, for any lapses the local authority will be held responsible. It is observed that there is a tractor as well as a cess pool in this NAC which is lying dormant and negligible income is arrived from them. In response to POM the local authority stated that there is one tractor which is not in running condition thereby the cess pool is also remaining unutilized. However steps will be taken for appointment of staff as well as for conducting repairs for functioning of the same. The Executive officer is suggested to take constructive measures in this regard to augment the funds of the NAC.

**PARA: 7 INVESTMENT**

Digapahandi NAC - 2016-2017

S/no	Opening Balance of Investment as on (DD MM YYYY)	Opening Balance(In Rs:)	Amount Encashed during the Year under Audit(In Rs:)	Total(In Rs:)	Amount Invested during the Year under Audit(In Rs:)	Closing Balance as per (DD MM YYYY) Audit	Closing Balance Audit(In Rs:)	Closing Balance as per (DD MM YYYY) Investment Ledger	Closing Balance Investment Ledger(In Rs:)	Difference(In Rs:)	Remarks
1	01-04-2016	1675.00	0.00	1675.00	0.00	31-03-2017	1675.00	31-03-2017	1675.00	0.00	Investment Ledger not Maintained
	<b>GRAND TOTAL</b>	<b>1675.00</b>	<b>0.00</b>	<b>1675.00</b>	<b>0.00</b>		<b>1675.00</b>		<b>1675.00</b>	<b>0.00</b>	

**DETAILS OF CB ON INVESTMENT & Comments :**

DETAILS OF CB ON INVESTMENT &amp; Comments :

As per Rule 148 of the Odisha Municipal Rules, 1953 a register of Government and other securities held by the municipality should be maintained. The total amount of the securities in custody of A.G (O) should be verified along with custody of the Chairman himself. But in this NAC no Investment has been made during the Year 2016-17 nor encashed nor investment register maintained. The above Investment amount Rs 1675.00 has been rolling since long as per previous Audit Report. In response to POM the local authority stated that no investments have been made during the year 2016-17

**Suggestions:-**

The local authority is suggested to maintain the investment register and inspect and countersign the investment register at least once in a year. The position of investment has not been reflected in the accountant cash book of the NAC, hence the same to be taken into account and reflected in the accountant cash book. During the exit conference the local authority assured to reflect the investment in the cash cash book, the local authority is advised to ensure it and next audit to verify.

**PARA: 8 ADVANCE**

Digapahandi NAC - 2016-2017

S/no	Advance Outstanding as on (DD MM YYYY)	Cashbook Name	Advance Outstanding (In Rs:)	Advance Paid during the Year under Audit(In Rs:)	Total(In Rs:)	Advance adjusted during the Year under Audit(In Rs:)	Advance Outstanding as per (DD MM YYYY) Audit	Advance Outstanding Audit (In Rs:)	Advance Outstanding as per (DD MM YYYY) Cash Book	Advance Outstanding Cash Book(In Rs:)	Difference (In Rs:)	Remarks
1	01-04-2016	Accountant Cash Book	1462319.41	319000.00	1781319.41	466000.00	31-03-2017	1315319.41	31-03-2017	1315319.41	0.00	
	<b>GRAND TOTAL</b>		<b>1462319.41</b>	<b>319000.00</b>	<b>1781319.41</b>	<b>466000.00</b>		<b>1315319.41</b>		<b>1315319.41</b>	<b>0.00</b>	

**Comments :**

Para -8.1

**ADVANCE PAID AND ADJUSTED DURING 2016-17**

Advance Adjusted					Advance paid			
Vrno/Date	Amount	Name	Purpose	Year of Advance Paid	Vrno/Date	Amount	Name	Purpose
162/9.6.16	15000	S.K.Tripathy,J.E	Pumpset purchase	2016-17	4/6.4.16	15000	Santosh Ku.Tripathy JE	Purchase of pump set
85/5.5.16	25000	P.Ch.Sahu,E.O	Salary Adv.	2016-17	16/7.4.16	25000	Purnach.Sahu,E.O	Salary Adv.
171/23.6.16	15000	Snehalata Sahu,C.O	S.B.M.Mela	2016-17	25/18.4.16	15000	Snehalata Sahu C.O	SBM Mela
163/9.6.16	12000	S.K.Tripathy J.E	Cleaning of Tank	2016-17	78/3.5.16	12000	S.K.Tripathy J.E	Cleaning of Tank
327/23.8.16	10000	H.K.Sahu,O.T.C	MBPY Mela	2016-17	124/24.5.16	10000	H.K.Sahu,OTC	MBPY Mela
237/18.7.16	40000	P.Jogi Zamadar	Wages of DLR Sweeper	2016-17	228/5.7.16	40000	P.Jogi Zamadar	Wages of DLR Sweeper
374/15.9.16	35000	H.K.Sahu OTC	15th August Expr.	2016-17	298/8.8.16	35000	H.K.Sahu,OTC	15th August Expr.
871/18.3.17	10000	Laxmi Sing J.E	Inguration of office building	2016-17	348/27.8.16	10000	Laxmi Singh J.E	Inguration of office building
456/6.10.16	45000	H.K.Sahu OTC	LSG Day	2016-17	349/27.8.16	45000	H.K.Sahu,OTC	LSG Day
840/18.3.17	40000	Satyanarayan Dash,TC	Road cleaning for Thakurani Jatra	2016-17	470/7.10.16	40000	Satyanarayan Das TC	Road cleaning for Thakurani Jatra
767/18.3.17	20000	S.K.Padhy DEO	Newyears day Expr.	2016-17	471/7.10.16	3000	G.Ghansyam Driver	Purchase of Diesel
823to837/18.3.17	40000	S.N.Das T.C	Republic day Expr.	2016-17	613/22.12.16	20000	Santosh Ku.Padhy,DEO	Newyears day Expr.
768/18.3.17	9000	S.K.Padhy D.E.O	Repair of Water filter	2016-17	658/19.1.17	40000	S.N.Dash T.C	Republic day Expr.
8/7.4.16	25000	S.K.Tripathy,J.E (15-16)	Salary Adv.	2015-16	730/1.3.17	9000	S.K.Padhy DEO	Repair of Water filter
	25000		Salary Adv.	2015-16	Total	319000		
	25000		Salary Adv.	2015-16				
315/19.8.16	50000	Ujala Naik(15-16)	Salary Adv.	2015-16				

85/5.5.16	25000	P.Ch.Sahu,E.O(15-16)	Salary Adv.	2015-16				
Total	466000							

**8.2 - Year wise break up of Outstanding Advances as on 31.03.2017**

Year wise break up of Outstanding Advances as on 31.03.2017 is furnished below basing upon the facts and figure of last and previous audit reports and advance ledger as there is no outstanding advance ledger has been maintained by this NAC

Year wise Break up of outstanding Advance	
Up to 31.3.2004	744519.41
2004-05	81500.00
2005-06	116800.00
2006-07	20100.00
2007-08	98000.00
2008-09	148000.00
2009-10	15000.00
2010-11	35000.00
2011-12	6000.00
2012-13	40400.00
2014-15	7000.00
2016-17	3000.00
Total	1315319.41

**8.3 - Non adjustment of long outstanding advance amounting to Rs.1315319.41**

As per provisions of SR 509 of Orissa Treasury Code (Vol-I) and Rule 136 to 140 of OM Rules, 1953 and instruction of the Finance Department, advance granted to contractors and individuals for departmental and allied purpose were required to be promptly adjusted within one month from the date of disbursement of advance by submitting detailed accounts and refunding balances, if any. An advance ledger is to be maintained in each ULB recording person wise separate accounts of such advance and the same is to be balanced and signed by the Executive Officer on quarterly basis. The Drawing and Disbursing Officer is responsible for any deviation of the same. Rule 14 of OGFR provides that every officer whose duties to render accounts on returns in respect of public money is responsible for their completeness and strict accuracy. According to the govt. instructions, each item of outstanding advances as appearing in the Cash Book of the DDO is to be analyzed and got adjusted within one month as delay in enduring detailed accounts may lead to misappropriation of funds. Besides the above aspect the Govt. in Finance Deptt.Lr. No. 2221/F. Dt. 08.03.2002 any advance outstanding for more than one year is treated as loss to the auditee organisation and the amount is recoverable through surcharge proceedings. On checking of the advance position revealed that Rs.1462319.41 remained unadjusted as on 31st. March 2017 though the period of pendency ranged from one to more than five years and even more. Hence, the Executive Officer is advised to take effective steps for adjustment of advance either through voucher adjustment or through effecting recovery. On issue of POM- to confirm the fact and asking the reason for non adjustment of long outstanding advance, the local Authority stated that steps would be taken to update the registers and suitable steps would be taken for their early adjustment. The local authority is suggested to personally look into this matter that the postings of the advance ledger as well as the outstanding advance ledger is maintained properly in the prescribed format in order to be aware of the outstanding advance and constructive steps taken for their recovery.

**8.4 - Non Maintenance of Outstanding advance ledger:**

As per Rule 136 to 140 of Odisha Municipal Rules, 1953 an Advance Ledger(Rule 136 Form No. XVIII)is to be maintained in each ULB, recording person wise separate accounts of such advances. Advances shall be regularly and promptly adjusted and any unspent balance of an advance shall be immediately refunded. The different accounts in the advance ledger shall be balanced quarterly and signed by the Executive Officer & thus an Outstanding Advance Ledger (Rule 140 Form No. XIX) is to be maintained on quarterly basis. But in this N.A.C. the Advance Ledger has not been maintained as well as Outstanding Advance Ledger though maintained in the prescribed register is not maintained as per the prescribed format. As a result there is every chance of misrepresentation of outstanding advance position at any point in real time, which means the true and fair picture of outstanding advance position may not be available when required. Further it is seen that advance position is not reflected in the closing balance of the cash book(s). Whenever any advance is paid or adjusted the effect of the same should reflect in the closing balance of the cash book. Hence it is advised to maintain Advance Ledger (Rule 136, Form No. XVIII) & Outstanding Advance Ledger (Rule 140, Form No. XIX) and include outstanding advance figure in the closing balance of the cash book In response to POM the local authority stated that the outstanding advance ledger will be maintained as per prescribed format. Therefore the local authority is suggested to maintain the above mandatory records and compliance reported to next Audit.



**PARA: 9 GRANTS**

Digapahandi NAC - 2016-2017

S/no	Grants Outstanding as on (DD MM YYYY)	Grants Outstanding (In Rs:)	Grants Received during the Year under Audit(In Rs:)	Total(In Rs:)	Grants Spent during the Year under Audit(In Rs:)	Grants unspent as on (DD MM YYYY)	Grants unspent (In Rs:)	Remarks
1	01-04-2016	51109846.28	54285524.00	105395370.28	22526442.00	31-03-2017	82868928.28	
	<b>GRAND TOTAL</b>	<b>51109846.28</b>	<b>54285524.00</b>	<b>105395370.28</b>	<b>22526442.00</b>		<b>82868928.28</b>	

**Comments :**
**9.1 - Non-utilisation of Govt grant**

As per Rule 171 to 173 of OGFR Vol-I grants received during the year is required to be utilized during the Financial year and utilization certificate to be furnished at the end of the financial year latest by 30th June of the succeeding financial year. But this aspect has not been paid any attention as evident from the huge pendency of unspent grants to the tune of Rs.82868928.28 as on 31.3.17.

The Local authority is advised to utilize the huge unspent grant after obtaining fresh sanction from competent authority otherwise the same may be returned to Govt if there is no scope for utilisation and compliance reported.

The G.I.A. register is maintained for the accounting year 2016-17 but not in proper format. The present E.O. is advised to maintain the same in form NO.XL-II of RULE 70 supported with rule 80 of O.M.Rule-1953.

However it is suggested to regularise the above encroachment by taking constructive approach and compliance reported to audit.

On going through the previous year audit report, it is noticed that on 1st April '2016, a huge amount of unspent balances of Rs.51109846.28 was lying with this NAC under various schemes for years together. Fresh grants to tune of Rs. 54285524.00 were also released by the Govt without verifying the unspent position of earlier grants. From the above table, it may be seen that the expenditure incurred was only Rs.22526442.00. while total fund of unspent grants available as on 31.03.2017 is Rs.82868928.28 .The percentage of utilisation of the grants in NAC needs to be increased in comparison to the total grants available for utilisation under different developmental schemes.

The overall utilisation of grants of this ULB for the year 2016-17 is 21.38% only in comparison to the total funds available for 2016-17. This indicates that the Govt money released to this NAC for developmental works is not being utilized for the intended purposes in time. The delay in implementation of developmental programmes defeats the very purpose of the schemes. The less utilisation of funds was mainly due to non preparation of realistic budget estimates, inadequate monitoring and planning etc.

In reply the Executive Officer concerned replied that the development works were generally hampered due to non submission of tenders/single tenders etc but assured to take steps for utilisation of the funds during the coming years. But such assurance cannot bear fruit in the absence of proper monitoring and planning.

Hence steps may be taken to utilize the same with approval of the sanctioning authority and proper planning and monitoring may be made for the same and compliance reported to audit. In response to POM the local authority stated that steps will be taken to expedite utilisation of grants.

The details of head wise receipt and utilisation of grants are furnished in Annexure III attached to this report. During the exit conference the local authority assured to expedite utilisation of grants, the local authority is advised to ensure it

**PARA: 10 UTILISATION CERTIFICATE**

Digapahandi NAC - 2016-2017

S/no	U.C Outstanding as on (DD MM YYYY)	U.C Outstanding(In Rs:)	U.C due for submission during the period under Audit(In Rs:)	Total(In Rs:)	U.C Submitted during the period under Audit(In Rs:)	U.C needs to be submitted as on outstanding as on (DD MM YYYY)	U.C needs to be submitted as on outstanding (In Rs:)	Remarks
1	01-04-2016	88634598.65	22526442.00	111161040.65	5599928.00	31-03-2017	105561112.65	Huge amount is pending for submission
	<b>GRAND TOTAL</b>	<b>88634598.65</b>	<b>22526442.00</b>	<b>111161040.65</b>	<b>5599928.00</b>		<b>105561112.65</b>	

**Comments :**

Details of UC submitted during 2016-2017

Letter no	Amount	Scheme	To whom sent	Year of utilisation
1083/30.5.16	170420.00	Solid waste mManagement	Us to Govt H&UD	2013-14
	63217.00	-do-	Us to Govt H&UD	2013-14
	47513.00	-do-	Us to Govt H&UD	2013-14
1112/3.6.16	38818.00	Road devlopment	Us to Govt H&UD	2012-13
1135/8.6.16	88338.00	Road & Bridge	Us to Govt H&UD	2012-13
	545025.00	Road & Bridge	Us to Govt H&UD	2012-13
1839/28.9.16	512138.00	-do	Us to Govt H&UD	2013-14
1838/28.9.16	416980.00	14th FCA	Us to Govt H&UD	2015-16
2097/2.11.16	493488.00	Devolution	Director SUDA,BBSR	2014-15
2060/2.11.16	480554.00	Road Dev.	Us to Govt H&UD	2014-15
32/6.1.17	624767.00	13th FCA	Us to Govt H&UD	2010-11
	200000.00	-do-	Us to Govt H&UD	2011-12
	149000.00	-do-	Us to Govt H&UD	2012-13
33/6.1.17	81409.00	-do-	Us to Govt H&UD	2008-09
391/6.1.17	199828.00	Road & Bridge	Us to Govt H&UD	2012-13
390/23.3.17	218816.00	4th SFC	Director SUDA,BBSR	2015-16
389/23.3.17	1269617.00	14th FCA	Us to Govt H&UD	2015-16
	5599928.00			

**YEAR WISE SUBMISSION OF PENDING UC**

2008-09	81409.00
2010-11	624767.00
2011-12	200000.00
2012-13	1021009.00
2013-14	793288.00
2014-15	974042.00
2015-16	1905413.00

Total	5599928.00
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**YEAR WISE BREAK UP OF PENDING ucS**

	OB	Due	Total	Sent	Balance
up to 2011-12	52376868.10	0.00	52376868.10	906176.00	51470692.10
2012-13	4346449.00	0.00	4346449.00	1021009.00	3325440.00
2013-14	9387082.00	0.00	9387082.00	793288.00	8593794.00
2014-15	1771634.00	0.00	1771634.00	974042.00	797592.00
2015-16	20752565.55	0.00	20752565.55	1905413.00	18847152.55
2016-17	0.00	22526442.00	22526442.00	0.00	22526442.00
	88634598.65	22526442.00	111161040.65	5599928.00	105561112.65

Due to improper maintenance of grant-in-Aid register, it was not possible to work out category wise break up of pending U.C. Besides the UC register was not maintained. However the year wise break up of pending UC has been worked out in audit basing upon the availability of records and from last audit report.

**10.3- Non Submission of U.C In due time.**

As per Rule 171 to 173 of OGFR Vol-I grants received during the year is required to be utilized during the financial year and utilization certificate to be furnished latest by 30th June of succeeding financial year to the funding agency as well as Principal Accountant General (A&E) Odisha The F.D L No 029539 dated 20.10.2014 gives emphasis upon submission of UCs to proper quarter by 30th June of the succeeding year. As timely submission of UC is relative to receipt of subsequent Grants from GOI and cut is imposed on the grant amount accordingly on its non-submission/delay in submission. Hence timely non-submission and huge pendency of submission of utilisation certificate is a detrimental factor. . It is noticed that during the year 2016-17 UC to the tune of Rs.5599928.00 has been sent to Govt as per the above table. From the above it is clear that this NAC shows no keen interest towards sending of UC, no UC has been sent regarding pension, SJSRY, BRGF, MPLAD, MLALAD etc as a result of which not only the Govt fails to know the output of different programme/scheme, f or which Grant have been issued. Non-submission of U.C to a tune of Rs.10561112.65 on 31.03.2017 defeats the very purpose of Govt. policy & planning and speaks about the improper management of manpower in NAC level during 2016-17 & lack of supervision of local authority. In response to POM- regarding UC the local authority stated that the balance UC will be sent to concerned departments soon. Therefore the Local Authority is suggested to look into the matter personally to clear up all old pending Utilisation certificates and compliance reported.

**PARA: 11 MISAPPROPRIATION & DEFALCATION**

**11.1 - Less amount credited in cashier cash book due to totaling error in Holding Tax DCR**

On checking the DCR, Holding Tax of Saheb Reddy, Tax collector it is found that a sum of Rs.5100.00 as described below is taken to cashiers cash book as described below.

M.R.No	Receipt No/DCR Page	Tax collected	Tax deposited	Less deposited
97	47,50,51,52/76	Rs.10616.00	Rs.6516.00	Rs.4100.00
99	Page No.78	Arrear- 1351.00 Current-9991.10 Total 11342.10	Rs.10342.10	Rs.1000.00
			Total	Rs.5100.00

In response objection memo the local authority recovered Rs.5100.00 from Saheb Reddy , Tax Collector, vide M.R.no.2429 dtd 5.5.18 Hence para may be dropped.

**11.2 - Less amount deposited in cashiers cash book**

On checking the M.R.Book w.r.t DCR it is noticed has a sum of Rs.405.00 less deposited in DCR

Receipt No & Date	Collected	Deposited	Less deposited	Name of the T.C
13547/16.6.16	5.00	0.00	5.00	Harikrushna Sahu
69358 to 69396/7.4.16	390.00	290.00	100.00	Sudam Behera
78655to 78664/23.6.16	100.00	0.00	100.00	-do-
86309 to 86334/14.9.16	260.00	230.00	30.00	-do-
94305 to 94321/16.12.16	170.00	160.00	10.00	-do-
3876 to 3928/8.3.17	530.00	520.00	10.00	-do-
1880 to 1894/4.3.17	150.00	140.00	10.00	-do-
		Total	260.00	Sudam Behera
73126 to 73140/7.5.16	150.00	140.00	10.00	G.Jagannath
84889 to 84898/18.8.16	100.00	0.00	100.00	-do-
86058/27.9.16	10.00	0.00	10.00	B.K.Panigrahi
90694/28.10.16	10.00	0.00	10.00	-do-
97204/18.1.17	10.00	0.00	10.00	-do-
		Total	30.00	
		Grnd Total	Rs.405.00	

In response objection memo the local authority recovered Rs.5.00 from Harekrushna Sahu , Tax Collector, vide M.R.no.2428 dtd 4.5.18, Rs.260/- from Sudam Behera , Tax Collector, vide M.R.no.2435 dtd 8.5.18, Rs.110.00 from G.Jagannath , Tax Collector, vide M.R.no.2432 dtd 7.5.18 & Rs.30.00 from Balakrushna Panigrahi , Tax Collector, vide M.R.no.2427 dtd 4.5.18 , Hence para may be dropped.

**11.3 - Less Amount credited in Market Fees DCR**

On checking the Market fees MRs wrt the concerned DCR it is observed that less amount as described below is credited in DCR

Book No	Receipt No	Collected	Deposited	Less	Tax collector
343	98	10.00	5.00	5.0	Madhusudan Dash
	198	10.00	5.00	5.00	

345	30	10.00	5.00	5.00	
346	47	20.00	10.00	10.00	
348	85	10.00	5.00	5.00	
351	78	10.00	5.00	5.00	
	126	10.00	5.00	5.00	
358	63	15.00	5.00	10.00	
	64	10.00	5.00	5.00	
				Rs.55.00	Madhusudan Dash
333	104	10.00	5.00	5.00	
	106	10.00	5.00	5.00	
	118	10.00	5.00	5.00	
	121	10.00	5.00	5.00	
	137	10.00	5.00	5.00	
	148	10.00	5.00	5.00	
	180	10.00	5.00	5.00	
	181	10.00	5.00	5.00	
	181	10.00	5.00	5.00	
	191	10.00	5.00	5.00	
337	92	10.00	5.00	5.00	
339	75	10.00	5.00	5.00	
	110	10.00	5.00	5.00	
344	51	10.00	5.00	5.00	
	199	5.00	0.00	5.00	
347	137	10.00	5.00	5.00	
			Total	Rs.75.00	Prakash Chandra Sethy.

In response objection memo the local authority recovered Rs.55.00 from Madhusudan Dash , Tax Collector, vide M.R.no.2436 dtd 8.5.18, Rs.75/- from Prakash Chandra Sethy, Tax Collector, vide M.R.no.2437 dtd 8.5.18, Hence para may be dropped.

**11.4 -**

**PARA: 12 LOSS OF STOCK & STORE**

**12.1 -**

Appendix 7 (Rule 124 of OGFR)

1. Old Materials stock register is not maintained by EO .
2. Old newspaper stock register is not maintained by EO .
3. Damage computer and old other materials stock register is not maintained by EO.
4. Old spare parts of vehicle etc is not maintained by EO.

The local authority is advised to direct his staff to maintain the above prescribed registers and produce to next audit Non Conduct of Physical verification of Stock & stores. As per Rule 106 (iv) of O.G.F.R., articles of dead stock should be verified at least once a year and the result of verification recorded on the inventory. All discrepancies noticed must be proper investigated and brought to account immediately so that the inventory may represent the true account.

As per Rule 111 of O.G.F.R., a physical verification of all stores should be made at least once in every year by the Head of Office concerned or

such other as may be specially authorised by him. Therefore the Local authority is advised to maintain the stock register of old replaced materials of Electrical Equipment to authenticate the use of new materials and to increase the Govt.revenue by auction of old materials

**PARA: 13 AUDIT OF RECEIPTS**
**13.1 - HOLDING TAX**
**13.1.1 - Ineffective and inefficient recovery of tax**

As per Rule-175 of Odisha Municipal Rules, 1953, the ULB shall be divided into circles for the purpose of collection of taxes. Each circle shall be numbered and a Tax Collector shall be appointed in charge of one or more circles. The O.M. Act, 1950 stipulated u/s 158, that notification shall be made and posted in the office of the ULB declaring day(s) and time for receipt of taxes, u/s 159(2) any tax on the annual value of holdings shall be payable in quarterly instalments and every such instalment shall be deemed to be due on the first day of the quarter in respect of which payable. u/s 159-A(1)&(2) a resolution may be passed in the ULB Council to grant a rebate in respect of tax paid within stipulated period i.e. the rebate may be allowed not exceeding 10 per cent (paid within 30 days) and 5 per cent (paid beyond 30 days and within 60 days) and the ULB may in like manner, provide for grant rebate at such percentage not exceeding 20% for the tax due for any year paid before 30th April and not exceeding 10 per cent where it is paid on or before 31st May of that year. Further, u/s 160 of the Act, a receipt signed by the tax collector or any other officer authorized by the E.O. was to be given against each payment of tax. Also as per Rule-201(2) and Rule-202 of O.M. Rules, 1953, the ULB may establish a system of reward and punishment to tax collector to ensure best results in collection of tax. On checking of Resolution Book of the ULB, Establishment File and receipts book of Holding Tax and from the information furnished to audit by the local authority, it was revealed that Digapahandi NAC consists of 11 wards and no specific tax circle exists for collection of taxes. The taxes are collected ward wise by engaging Tax Collectors. The taxes are received throughout the year and no notification has been made declaring day(s) and time for receipt of taxes. No computer data base has been made relating to assessment of holding tax, number of holdings, demand of tax, collection of tax and arrear taxes outstanding for collection. The details of demand, collection & % of collection are furnished below receipts as worked out by audit as per the records made available and as per the last audit report. The tax collectors not the local authority has taken or initiated steps towards maintainance of DCB of taxes which has not been maintained in this NAC. The demand has been taken as per the demand of last year Audit Report. The local authority is suggested to chalk out a special drive for maintainance of DCB of taxes, for working out the year wise as well as item wise demand, collection and balance of all taxes due.

**13.1.2 DCB POSITION OF TAXES**
**STATEMENT SHOWING THE D.C.B POSITION OF TAXES FOR THE YEAR 2016-2017**

NAME OF TAX	DEMAND			COLLECTION			BALANCE		
	ARREAR	CURRENT	TOTAL	ARREAR	CURRENT	TOTAL	ARREAR	CURRENT	TOTAL
1	2	3	4	5	6	7	8	9	10
HOLDING TAX	910813.96	628840.30	1539654.26	147964.30	332238.85	480203.15	762849.66	296601.45	1059451.11
WATER TAX	801301.19	648320.05	1449621.24	150743.05	336457.55	487200.60	650558.14	311862.50	962420.64
WATER TAX	1598726.12	1296642.10	2895368.22	290859.25	673697.44	964556.69	1307866.87	622944.66	1930811.53
TOTAL	3310841.27	2573802.45	5884643.72	589566.60	1342393.84	1931960.44	2721274.67	1231408.61	3952683.28

**CALUCULATION OF COLLECTION FIGURE OF TAXES**
**i) HOLDING TAX**

<b>ARREAR</b>	
AS PER ACCOUNTANT CASH BOOK FIGURE	146939.30
LESS CREDIT IN CASHIERS CASH BOOK	1025.00

<b>DCB FIGURE OF COLLECTION</b>	<b>147964.30</b>
<b>CURRENT</b>	
AS PER ACCOUNTANT CASH BOOK FIGURE	297896.65
REBATE ALLOWED DURING APRIL AND MAY	34092.20
LESS CREDIT IN CASHIERS CASH BOOK	250.00
<b>DCB FIGURE OF COLLECTION</b>	<b>332238.85</b>
<b>II) WATER TAX</b>	
<b>ARREAR</b>	
AS PER ACCOUNTANT CASH BOOK FIGURE	149718.05
LESS CREDIT IN CASHIERS CASH BOOK	1025.00
<b>DCB FIGURE OF COLLECTION</b>	<b>150743.05</b>
<b>CURRENT</b>	
AS PER ACCOUNTANT CASH BOOK FIGURE	301070.76
REBATE ALLOWED DURING APRIL AND MAY	35136.79
LESS CREDIT IN CASHIERS CASH BOOK	250.00
<b>DCB FIGURE OF COLLECTION</b>	<b>336457.55</b>
<b>III) LIGHT TAX</b>	
<b>ARREAR</b>	
AS PER ACCOUNTANT CASH BOOK FIGURE	288809.25
LESS CREDIT IN CASHIERS CASH BOOK	2050.00
<b>DCB FIGURE OF COLLECTION</b>	<b>290859.25</b>
<b>CURRENT</b>	
AS PER ACCOUNTANT CASH BOOK FIGURE	602913.89
REBATE ALLOWED DURING APRIL AND MAY	70283.55
LESS CREDIT IN CASHIERS CASH BOOK	500.00
<b>DCB FIGURE OF COLLECTION</b>	<b>673697.44</b>

In response to POM the local authority replied that it has not been maintained, however it will be maintained and produced to next audit, the local authority is suggested to take a special drive in this respect as the backbone of the NAC depends upon taxes and without any details the loss of funds due to non collection cannot be ruled out

**13.1.3 Low collection of taxes :-**

Statement showing the details of demand, collection, balance position and percentage of collection of taxes in respect of Digapahandi NAC for the year 2016-17

STATEMENT SHOWING THE D.C.B POSITION OF TAXES FOR THE YEAR 2016-2017										
NAME OF TAX	DEMAND			COLLECTION			BALANCE			% collection
	ARREAR	CURRENT	TOTAL	ARREAR	CURRENT	TOTAL	ARREAR	CURRENT	TOTAL	
1	2	3	4	5	6	7	8	9	10	11
HOLDING TAX	910813.96	628840.30	1539654.26	147964.30	332238.85	480203.15	762849.66	296601.45	1059451.11	31.18
WATER TAX	801301.19	648320.05	1449621.24	150743.05	336457.55	487200.60	650558.14	311862.50	962420.64	33.60
WATER TAX	1598726.12	1296642.10	2895368.22	290859.25	673697.44	964556.69	1307866.87	622944.66	1930811.53	33.31
TOTAL	3310841.27	2573802.45	5884643.72	589566.60	1342393.84	1931960.44	2721274.67	1231408.61	3952683.28	32.83

It would be seen from the above table that the percentage of collection of taxes is only 32.83% which is very far from the satisfactory. The reasons of low percentage of collection was asked for through POM. The local authority is suggested to draw up a special drive for collection of current as well as arrear taxes so as to augment the funds of the NAC It is to mention here that NAC has not yet established any system of rewards and punishments to tax collector to ensure best results in collection of tax. As, no remedial measures for effective realisation of revenue has been taken, huge arrears are rolling for years together with owners of the houses which indicates the inefficiency and ineffectiveness of collection of Holding Taxes. In reply to POM the local authority stated that steps will be taken to expedite the collection in future. The local authority is suggested to chalk out a special drive to collect the outstanding amounts to augment the NAC funds and maintain the DCB. In response to POM the local authority replied that steps will be taken to enhance the revenue collection. the local authority is suggested to adhere to it .

**13.1.4- Inadequate system of collection holding tax from defaulters**

As per Section 161(1) of the Orissa Municipal Act, 1950 if the sum due on account of any tax is not paid within sixty one days from the date on which it became due, the Executive Officer shall cause to be served a notice in the prescribed form on the person liable to pay the same. If still the dues are not collected, the ULB is armed with Section 162 of the Act to levy by distress and sale of any movable property belonging to the defaulter wherever found, or of any movable property belonging to any other person which may be found within the holding in respect of which such defaulter is liable to such tax. In spite of all these provisions under Section 161(1), 162,163,164,165 and 166, if the ULB fails to realize the arrear tax by distress and sale, according to Section 169 the ULB may at any time apply to the District Collector for the recovery of the whole or any part of any arrear as an arrear of Land Revenue. Again as per Section 170 of the Act, the ULB instead of proceeding by distress and sale or in case of failure to realize the whole or any part of any tax, the ULB may sue the person liable to pay the same in any court of competent jurisdiction. Further it was found that though the system of penalty was there, yet there was no dictation of breach of tax rule as per Rule 553 of the OM rules 1953. It is seen that, the NAC has failed to take appropriate action under various sections of the Orissa Municipal Act, 1950. As a result, arrears to the tune of **Rs.3952683.28** as above. are remaining uncollected for years together. The year wise breakup of outstanding taxes in detail could not be furnished as no DCB has been maintained in this NAC and no data available in previous report.

**13.1.5 - Details of year wise break up of outstanding taxes & time barred dues of taxes. –**

As per Section 159-A of the Odisha Municipal Act, 1950, the Municipality may by resolution, provide for grant of rebate in respect of the tax, which has been done so in this NAC.. As per Section 161 of the Odisha Municipal Act, 1950 if the sum due on account of any tax is not paid within 61 days, the Executive Officer shall cause to be served the demand notices on the defaulter. (N.B.-Tax due on the first day of the quarter in respect of which it is payable) As per Section 162 of the Odisha Municipal Act, 1950, if any person after service upon him of the demand notice within fifteen days of the service of the same or from the date of any order made in an appeal under Section 153, failed to pay his outstanding arrear taxes along with costs levied as per Rule 205 distress and sale of movable property belonging the defaulter may be made within 6 months of the service of the notice. As per Section 170 of the Odisha Municipal Act, 1950, instead of proceeding by distress and sale or in case of failure to realise thereby the whole or any part of any tax, the municipality may sue the person liable to pay the same in any court of competent jurisdiction. As per Rule 176 of the Odisha Municipal Rules, 1953, Demand and Collection Register and Tax Collector’s Daily Collections Register should be maintained. Except for the first point all other codal provisions have not been adhered to. As the tax dues become time-barred after a lapse of nearly 3 years and 9 months from the date it became due, thus the outstanding dues relating to the years from 5th year and onwards starting from the current year is considered as time-barred and needs to be recovered. Abstract details of year-wise break-up of outstanding tax could not be furnished as no details are available with the local authority as DCB of taxes have not been maintained nor year wise breakup of outstanding dues maintained and could not be furnished by the local authority. Year wise breakup of last two years is as below, the calculations have been made as per the collection of 2016-17.

YEAR WISE BREAK-UP OF OUTSTANDING TAXES			
YEAR	DUE	COLLECTION	BALANCE
UPTO 2014-15	856914.07	20939	835975.07
2014-15	958098.05	169421	788677.05
2015-16	1495829.15	399206.6	1096622.55
2016-17	2573802.45	1342393.84	1231408.61
TOTAL	5884643.72	1931960.44	3952683.28

The local authority is suggested to chalk out a special drive to collect the outstanding lease amounts to augment the NAC funds

**13.1.6 - Non-adoption of measures for collection and remission of arrears.**

The Odisha Municipal Rules, 1953 vide Rule-200 authorizes for preparation of a progress statement in Form-N, of each month which shall represent the position of the collection accounts as a whole and be submitted to the council. They shall be carefully scrutinized with a view to the adoption of measures for the collection or remission of arrears. But it was seen that the progress statement in Form-N was neither prepared nor discussed in council, if discussed or put up, the minutes of the deliberations of the Standing Committee on Taxation, Finance & Accounts be presented to audit. Therefore to ascertain the No of standing committee held during the year 2015-16 for discussion on collection or remission of arrears of holding tax in the council meetings be presented in the proforma given below.

1. Year
2. No. of standing committee meetings held

3. No. of members who attended the standing committee meeting

4. No. of times with date discussion made on collection or remission of arrears

It was asked for through POM in response to which the local authority stated that no standing committee has been formed to review the collection of holding tax during the year 2016-17 the local authority is suggested to take appropriate steps to form standing committee hence forth to review the collection of holding tax

**13.1.7 – Assessment / non assessment of holding Tax on railway land, agricultural land –**

As per provisions contained in Section 131(1) (a) of the OM Act, 1950, the municipalities shall impose tax on holdings situated within the municipality on their annual value. Further, as per provisions contained under Section 131(2)(b) of the OM Act, 1950, municipality shall levy holding tax on annual value of railway lands situated within the municipalities which are not used exclusively for agricultural purposes and are not occupied by or adjacent and appurtenant to any buildings. As per Rule 518(1) of OM Rules, 1953 the annual value was to be determined by a committee consisting of the Executive Officer, the Collector of the district and one representative of the Railway authority. As per Rule 518(10) of OM Rules, 1953, if the committee does not complete the valuation of any railway lands before the commencement of the half-year, with effect from which they are to be assessed or their assessment is to be revised, the Executive Officer may assess them according to the prevailing market value in case the lands are to be assessed for the first time and in accordance with the existing valuation in the case of other lands, and shall be entitled to collect the tax on the basis of such assessment pending the valuation of the said lands by the committee. Rule-519: determination of Annual value of land, Rule-520: determination of capital value of land. As per Section 131 (3) (a) of the OM Act, 1950, the holding tax was to be levied on the lands situated within the municipal area and used exclusively for agricultural purposes. .The local authority was asked for through POM to please provide the details and the present status to which the local authority stated that no railway land comes under the preview of this NAC.

**13.1.8 -Improper maintenance of money receipt book for collection of holding tax:-**

According to Rule 188 of the Orissa Municipal Act,1953, when tax is paid the Tax Collector shall grant a receipt in Form-I. He shall fill up the form in triplicate by carbon process. Part payments of quarterly taxes shall not be accepted. The original copy of the receipt shall be printed in bold letters "Temporary Receipt" with a note." This should not be considered as final receipt until the final receipt is issued under the signature of the Executive Officer". The duplicate copy may be boldly marked "Final Receipt". The Tax Collector shall issue the temporary receipt (original copy) as soon as he realizes the tax. He shall then submit the tax receipts in duplicate to the EO with the collections. The EO shall conduct checks and sign the duplicate and countersign the triplicate which will form the office copy. The duplicate shall then be issued as the final receipt. But, in disobedience to the rule provisions it was seen that the receipt book though maintained in triplicate, and there is mention of the temporary receipt and final receipt on the body of the original and duplicate copies respectively. Neither the second copy has been signed nor did the third copy countersign by the EO or any designated officer of the NAC. It means that the officer has not conducted necessary checks. Moreover, all the second copies of the receipts of the MR books are still with the office even though there is mention of the note, as pointed out above, on the first copy, which is a must for the public awareness, the same "This should not be considered as final receipt until the final receipt is issued under the signature of the Executive Officer" should be mentioned in the second and also on the triplicate receipt but not adhered to in this NAC which violates the codal provision. The reasons for non adherence to the codal provision may be intimated to audit. The local authority replied noted for further guidance. Thus the local authority is suggested to direct the employees to strictly adhere to the provisions as laid down by the Govt.

**13.1.9 - In formation on construction of new buildings :-**

The number of new buildings constructed in NAC area During 2016-17 which are to come under ambit of holding tax was asked for by audit .

In response to POM the local authority remained silent .

The local authority is suggested to maintain the assessment registers as and when buildings are completed holding tax be collected from the new buildings assessed and issue letters to SOUTHCO to provide information on new electricity connections. Hence the local authority is suggested to direct his staff for assessments of new buildings etc as well as follow-up the action of collecting information from SOUTHCO so that more holdings can be assessed so that they can be brought under the preview of taxes to augment the funds of the NAC.

**13.2 - Lease position of tanks/ponds –**

The details of tanks for lease under Digapahandi NAC and their position for the year 2016-17 The position of demand, collection and balance of lease of tanks could not be worked out as no records have been maintained in this regard details as provided by the local authority is as below

Si.no	Name of the Tank	Collection Period of Lease	Lease Amount	2014-15	2015-16	2016-17	Total	Balance	Remarks
1	Khajuri Tank	3 years 2015-16 to 2017-18	22400.00	0.00	13400.00	0.00	13400.00	9000.00	Due for collection in 2016-17&2017-18
2	Manima Tank	2015-16 to2017-18	131000.00		69220.00		69220.00	61780.00	Due to collection in 2016-17 &2017-18
3	Bhartiya Tank	2015-16 to2017-18	2550.00		1500.00		1500.00	1050.00	Due for collection in 2016-17&2017-18
4	Velia Bandha	2015-16 to 2017-18	40501.00		23660.00		23660.00	16841.00	Due for collection in 2016-17&2017-18
5	Kama Bandha	2015-16 to 2017-18	70000.00		30000.00		30000.00	40000.00	Due for collection in 2016-17&2017-18
6	Nelia Bandha	3years 2014-15 to 2016-17	46100.00	27550.00			27550.00	18550.00	Due for collection in2015-16 &2016-17
Out of 15 tanks 06 have been leased out									
Total			312551.00	27550.00	137780.00		165330.00	147221.00	

In reply to POM the local authority staterd that all dues are collected.during the financial year 2017-18.

The local authority is suggested to maintain all the DCB/information in prescribed register and collect the outstanding lease amounts and take steps for lease of the non leased out tanks to augment the NAC funds.

### 13.3 - Information on demand, collection and balance of market stalls

The position of demand, collection and balance of market stalls could not be worked out as no records have been maintained in this regard details as provided by the local authority is as below

Rent of Market Shop Rooms of N.A.C, Digapahandi						
Sl. No	Name of Rent Holder @Rs. 1000/- P.M.	Balance	Demand 2016-17	Total	Collected	Balance
1	Ramesh Chandra Gouda	19000	12000	31000	21000	10000
2	Jeetendra Gouda	21000	12000	33000	0	33000
3	Mochiram Dakua	0	12000	12000	12000	0

4	M.Sudarshan	20500	12000	32500	0	32500
5	Narasingha Behera	0	12000	12000	12000	0
6	Mangulu Sethi	0	12000	12000	12000	0
7	Upendra Gouda	37000	12000	49000	0	49000
8	Simanchala Maharana	10000	12000	22000	0	22000
	Total-	107500	96000	203500	57000	146500
	Bus-Stand					
Sl. No	Name of Rent Holder @Rs. 1000/- P.M.	Balance	Demand 2016-17	Total	Collected	Balance
1	V.S.Raju	0	12000	12000	12000	0
2	S.S.Panda	0	12000	12000	12000	0
3	A.K.Sahu	0	12000	12000	12000	0
4	S.S.Panda	0	12000	12000	12000	0
5	V.S.Raju	0	12000	12000	12000	0
6	Barika Behera	3000	12000	15000	15000	0
7	P.Nilamadhaba	0	12000	12000	12000	0
	Total-	3000	84000	87000	87000	0
	GRAND TOTAL	110500	180000	290500	144000	146500

The local authority is suggested to maintain all the DCB/information in prescribed register and collect the outstanding dues at the earliest with penalty as prescribed from defaulters to augment the NAC funds. Till then the balance amount of Rs.146500.00 is held under objection.

**PARA: 14 AUDIT OF EXPENDITURE**

**14.1 - Tour particular relating to payment of CA of CO & JE Wanting**

On checking the accountant cash book with acquittnce roll of staff it is noticed that Co has been paid CA for 3/16 & 2/17 @ Rs.500.00 i.e. Rs.6000.00 in total. But according to Rule 392 of OMR only the Junior Engineer of NAC are entitled to get conveyance Allowance . During 2016-17 a sum of Rs.5519.00 @ Rs.700.00 per month is paid to JE towards conveyance allowance . Against such expenditure the Tour particulars of J.E. duly approved by competent authority are not produced before audit for verification'

Non submission of completion certificate as required under rule 344 of Odisha Municipal Rules 1953

In response to audit objection memo the local authority replied that the relevant document will be produce at the time exit conference . Till then the amount Rs.(6000+5519)=Rs.11519.00 is kept under objection.

**14.2 - Supporting vouchers and file order of QULM Wanting**

On checking accountant cash book w.r.t the paid vouchers it is noticed that a sum of Rs.449572.00 paid towards QULM.The supporting documents like agreement with the Agency, conduct of QULM Mela/ Training programmed, report on function of SHGS according to Govt. guideline etc. wanting to verify the genueness of the payment.

Vr.no./Date	Amount	Purpose.
277/25.7.16	Rs.92318.00	EST & P,Trol kits

514/3.11.16	Rs.357254.00	Refund of Surplus amount
	Rs.444572.00	

In response to audit objection memo the Local Authority produced the connected file and it is verified with the paid vouchers. It is found that 30% of the payment was released during 2018-19 against 1st installment for 25 trainers along with the cost of tool kit @500/- per candidate. Thereafter vide vr. No. 277/25.7.16 the 2nd installment for 16 students is released for certified candidates who appeared the exam conducted by the Agency. Hence the CO and Local Authority are advised to find out the reason of drop out of the candidates after the payment of the 1st installment.

**14.3 - Inadmissible payment of medical allowance to the municipal staff Instructions-**

As per Ir. no.-14965/H&UD, dt.27.05.2008, the staff salary of municipal staff cannot be more than that of State Government employees. As there is no provision to pay medical allowance to the state Government employees, payment of medical allowance to the municipal staff is not genuine and is a loss to the municipal fund.

On checking of Pay acquaintance roll of Staff w.r.to payment vouchers during the year under audit it is noticed that sum of Rs.5400.00 has been paid to Ex-EO Sri Purna Chandra sahu @450.00 per month for the entire period under Audit 2016-17 i.e. 450.00 X 12= 5400.00

Hence the payment of Rs. 5400.00 may kindly explained before audit.

In response to audit objection memo the local authority replied that the relevant document will be produce at the time exit conference. Till then Rs.5400.00 is held under objection.

**14.4 - Excess payment towards Arrear payment of staffs**

In response to audit objection memo for the payment vide Vrno.282/27.7.2015 Rs.3167341.00 held under objection in the previous year Audit the local Authority produced the Acquaintance Register and calculation sheet of arrear payment of the staffs. On checking the Registers w.r.t the personnel file and the relevant documents it is found that a sum of Rs. 282664.00 as described below is paid in excess to the NAC staffs. The said amount needs recovery from the persons responsible.

Sl.no	Name of the staff	Arrear D.A	HRA	Salary for strike period	Total
1	Kasinath Gouda	10849	2497	4958.00	18299.00
2	Pandab Sethy	7456	2064	3775.00	13295.00
3	Prakash Chandra Sethy	7511	2016	3775.00	13302.00
4	G.Narasisingh	7494	2028	3975.00	13297.00
5	B.Saheb Reddy	8563	2045	4040.00	14748.00
6	A.Ghana	8177	3057	3952.00	14186.00
7	Ranjit Pattanaik	8190	2028	3952.00	14170.00
8	Satyanarayan Dash	7365	2122	3776.00	13263.00
9	Lingaraj Pattanaik	8656	2045	4040.00	14741.00
10	Sukuru Sethy	8777	2011	4040.00	14828.00
11	Harikrushna Sahu	8189	2028	3952.00	14169.00
12	Prabhakar Mekap	7537	2079	3862.00	13478.00
13	Balkrishna Panigrahi	7106	435	3693.00	11234.00
14	D.Venkat Patra	7471	2028	3775.00	13274.00
15	P.Jogi	7888	2033	3871.00	13792.00
16	Ujjal Naik,Sweeper	7361	1892	0.00	9253.00
17	Rama Naik	6972	2029	3775.00	12776.00
18	G.Jagannath	9110	2120	4217.00	15447.00
19	Brunda Naik	5336	3463	0.00	8795.00
20	Boji Naik	5336	3463	0.00	8799.00
21	Manju Naik	5397	3463	0.00	8860.00
22	Sital Naik	5295	3463	0.00	8758.00
		166027	35557	81080	282664.00

Excess payment of Salary for strike period from 29.8.2000 to 25.9.2000

Si.no	Name of the Employee	Designation	Month		Total Days	per month	Amount paid	Excess paid
			From	To				
1	B.Saheb Reddy	Taxcollector	29.8.2000	31.8.2000	3	4344.00	420.00	420.00
			1.9.2000	25.9.2000	25	4344.00	3620.00	3620.00
2	Ranjit Pattanaik	Taxcollector	29.8.2000	31.8.2000	3	4249.00	411.00	411.00
			1.9.2000	25.9.2000	25	4249.00	3541.00	3541.00
3	Satyanarayan Dash	Taxcollector	29.8.2000	31.8.2000	3	4059.00	393.00	393.00
			1.9.2000	25.9.2000	25	4059.00	3383.00	3383.00
4	G.Jagannath	O.T.C	29.8.2000	31.8.2000	3	4533.00	439.00	439.00
			1.9.2000	25.9.2000	25	4533.00	3778.00	3778.00
5	Sukuru Sethy	O.T.C	29.8.2000	31.8.2000	3	4344.00	420.00	420.00
			1.9.2000	25.9.2000	25	4344.00	3620.00	3620.00
6	Lingaraj Pattanaik	O.T.C	29.8.2000	31.8.2000	3	4344.00	420.00	420.00
			1.9.2000	25.9.2000	25	4344.00	3620.00	3620.00
7	Harikrushna Sahu	O.T.C.	29.8.2000	31.8.2000	3	4249.00	411.00	411.00
			1.9.2000	25.9.2000	25	4249.00	3541.00	3541.00
8	Prabhakar Mekaup	O.T.C	29.8.2000	31.8.2000	3	4153.00	402.00	402.00
			1.9.2000	25.9.2000	25	4153.00	3460.00	3460.00
9	Balakrushna Panigrahi	O.T.C	29.8.2000	31.8.2000	3	3971.00	384.00	384.00
			1.9.2000	25.9.2000	25	3971.00	3309.00	3309.00
10	P.Jogi	Zamadar	29.8.2000	31.8.2000	3	4162.00	403.00	403.00
			1.9.2000	25.9.2000	25	4162.00	3468.00	3468.00
11	D.Venkata Patra	Peon	29.8.2000	31.8.2000	3	4059.00	393.00	393.00
			1.9.2000	25.9.2000	25	4059.00	3382.00	3382.00
12	Prakash Sethy	Peon	29.8.2000	31.8.2000	3	4059.00	393.00	393.00
			1.9.2000	25.9.200025		4059.00	3382.00	3382.00
13	Rama Naik	Sweeper	29.8.2000	31.8.2000	3	4059.00	393.00	393.00

			1.9.2000	25.9.2000	25	4059.00	3382.00	3382.00
							Total	3775.00
14	A.Ghana	Sweeper	29.8.2000	31.8.2000	3	4249.00	411.00	411.00
			1.9.2000	25.9.2000	25	4249.00	3541.00	3541.00
							Total	3952.00
15	Kasinath Gouda	Sr.Asst.	29.8.2000	31.8.2000	3	5330.00	516.00	516.00
			1.9.2000	25.9.2000	25	5330.00	4442.00	4442.00
							Total	4958.00
16	G.Narasinghlu		29.8.2000	31.8.2000	3	4059.00	393.00	393.00
			1.9.2000	25.9.2000	25	4059.00	3382.00	3382.00
							Total	3775.00
17	Pandab Sethy	Peon	29.8.2000	31.8.2000	3	4059.00	393.00	393.00
			1.9.2000	25.9.2000	25	4059.00	3382.00	3382.00
							Total	3775.00
18	Bajer Naik	Sweeper	29.8.2000	31.8.2000	3	3724.00	360.00	360.00
			1.9.2000	25.9.2000	25	3724.00	3103.00	3103.00
							Total	3463.00
19	Brunda Naik	-do-	29.8.2000	31.8.2000	3	3724.00	360.00	360.00
			1.9.2000	25.9.2000	25	3724.00	3103.00	3103.00
							Total	3463.00
20	Manju Naik	-do-	29.8.2000	31.8.2000	3	3724.00	360.00	360.00
			1.9.2000	25.9.2000	25	3724.00	3103.00	3103.00
							Total	3463.00
21	Sita Naik	-do-	29.8.2000	31.8.2000	3	3724.00	360.00	360.00
			1.9.2000	25.9.2000	25	3724.00	3103.00	3103.00
							Total	3463.00
							Grand Total	81080.00

ARREAR DA

Sl.No	Name	Period	Particulars	Amount
1	Kasinath Gouda Jr.Asst.	1.1.98 to 1.2.99	Arr.D.A nA.R.Vol -18 P-180	1050.00
		1.3.99 to 1.9.01	-do- (A.R-Vol-19 P-157)	3254.00
		1/99 to 9/10	-do- A.R.Vol 21 P-51	3340.00
		10/2000 to 5/02	(A.R.Vol.21 P-188	3200.00
			Total	10844.00
2	Pandab Sethy Peon	1.1.98 to 1.6.95	Arr,D.A A/R Vol 18	1031.00
		1.7.99 to 1.9.01	Vol. 19	1968.00
		1/99 to 8/00	Vol-21 P-52	2251.00
		10/00 to 5/02	-do- P-189	2206.00
			Total	7456.00
3	Prakash Ch.Sethy Peon	1.1.98 to 1.6.95	Arr.D.A nA.R.Vol -18	1042.00

		1.7.99 to 1.9.01	Vol.-19	1983.00
		1/99 to 8/00	Vol. 21	2270.00
		10/00 to 5/02	Vol-21 P-191	2216.00
			Total	7511.00
4	G.Narisingha	1.1.98 to 1.6.99	Vol.18	1032.00
		1.7.99 to 1.9.01	Vol-19	1981.00
		1/99 to 9/00	Vol-21	2267.00
		10/00 to 5/02	Vol 21 P-190	2214.00
			Total	7494.00
5	B,Sahib Reddy T.C.	1.1.98 to 1.4.99	Vol-18	1008.00
		1.5.99 to 1.9.01	Vol.-19	2434.00
		1/99 to 9/2000	Vol.-21	2586.00
		10/2000 to 5/02	Vol.-21 P-192	2535.00
			Total	8563.00
6	A.Ghana T.S	1.1.98 to 1.5.99	vol-18	1046.00
		1.6.99 to 1.9.01	vol-19	2239.00
		1/99 to 8/00	vol-21	2472.00
		10/00 to 5/02	vol-21 p-193	2420.00
			Total	8177.00
7	Ranjit Pattanaik.T.S.	1.1.98 to 1.5.99	Arr.D.A Vol.18	1048.00
		1.6.99 to 1.9.01	vol-19	2242.00
		1/99 to 8/00	vol-21	2476.00
		10/00 to 5/02	vol-21 p-194	2424.00
			Total	8190.00
8	Satyanarayan Dash T.S.	1.1.98 to 1.6.99	vol-18	1019.00
		1.7.99 to 1.9.01	vol-19	1944.00
		1/99 to 9/00	vol-21	2218.00
		10/00 to 5/02	Vol-21 P-195	2184.00
			Total	7365.00
9	Limgaraj Pattanaik OTC	1.1.98 to 1.4.99	vol-18	1008.00
		1.5.99 to 1.9.01	Vol-19	2527.00
		1/99 to 9/00	Vol-21	2586.00
		10/00 to 5/02	Vol-21 P-196	2535.00
			Total	8656.00
10	G.Jagannath O.T.C	1.1.98 to 1.3.99	vol-18	984.00
		1.4.99 to 1.9.01	Vol-19	2679.00
		1/99 to 9/00	Vol-21	2745.00
		10/00 to 5/02	Vol-21 P-197	2702.00
			Total	9110.00
11	Sukuru Sethy OTC	1.1.98 to 1.4.99	vol-18	1005.00
		1.5.99 to 1.9.01	Vol-19	2522.00
		1/99 to 9/00	Vol-21	2643.00
		10/00 to 5/02	Vol-21 P-198	2607.00

			Total	8777.00
12	Harikrushana Sahu, OTC	1.1.98 to 1.5.99	vol-18	1047.00
		1.6.99 to 1.9.01	Vol-19	2242.00
		1/99 to 9/00	Vol-21	2476.00
		10/00 to 5/02	Vol-21 P-199	2424.00
			Total	8189.00
13	Prabhakar Mekaup OTC	1.1.98 to 1.6.99	vol-18	1034.00
		1.7.99 to 1.9.01	Vol-19	1987.00
		1/99 to 9/00	Vol-21 P-63	2274.00
		10/00 to 5/02	Vol-21 P-200	2242.00
			Total	7537.00
14	Balkrushna Panigrahi	1.1.98 to 1.7.99	vol-18	1053.00
		1.8.99 to 1.9.01	Vol-19	1805.00
		1/99 to 9/00	Vol-21	2142.00
		10/00 to 5/02	Vol-22 P-2	2106.00
			Total	7106.00
15	D.Vankat Patra Peon	1.1.98 to 1.6.99	vol-18	1042.00
		1.7.99 to 1.9.01	Vol-19	1943.00
		1/99 to 9/00	Vol-21	2270.00
		10/00 to 5/02	Vol-21 P-3	2216.00
			Total	7471.00
16	P.Jogi Zamadar	1.1.98 to 1.5.99	vol-18	1008.00
		1.6.99 to 1.9.01	Vol-19	2160.00
		1/99 to 9/00	Vol-21	2380.00
		10/00 to 5/02	Vol-21 P-4	2340.00
			Total	7888.00
17	Ujala Naik, Sweeper	1.1.98 to 1.6.99	vol-18	1022.00
		1.7.99 to 1.9.01	Vol-19	1941.00
		1/99 to 9/00	Vol-21	2169.00
		10/00 to 5/02	Vol-22 P-5	2229.00
			Total	7361.00
18	Rama Naik, Sweeper	1.1.98 to 1.7.99	vol-18	1019.00
		1.8.99 to 1.9.01	Vol-19	1777.00
		1/99 to 9/00	Vol-21	2060.00
		10/00 to 5/02	Vol-22 P-6	2116.00
			Total	6972.00
19	Brunda Naik Sweeper	1.1.99 to 1.9.2000	vol-19	992.00
		1.10.00 to 9/10	Vol-19	805.00
		6/99 to 9/00	Vol-21	1618.00
		10/00 to 5/02	Vol-22 P-13	1917.00
			Total	5332.00
20	Baji Naik, Sweeper	1.6.99 to 1.8.2000	vol-18	1000.00
		1.7.99 to 1.9.01	Vol-19	798.00

		1/99 to 9/00	Vol-21	1645.00
		10/00 to 5/02	Vol-22 P-14	1893.00
			Total	5336.00
21	Manju Naik	1.6.99 to 1.8.2000	vol-18	999.00
		1.9.00 to 9/01	Vol-19	819.00
		1/99 to 9/00	Vol-21	1642.00
		10/00 to 5/02	Vol-22 P-15	1937.00
			Total	5397.00
22	Sita Naik	1.6.99 to 1.9.2000	vol-19	981.00
		10/00 to 9/01	Vol-19	802.00
		6/99 to 9/2000	Vol-21	1594.00
		10/00 to 5/02	Vol-22 p-16	1918.00
			Total	5295.00
			G.Total	166027.00

Excess Payment of House Rent on 5th pay Arrear

Si. No	Name of the Employee	Month		Total month	HRA per month	Amount paid	Amount Admissible	Excess paid
		From	To					
1	Ujla Naik, Sweeper	1/96		1	128	128	62	66
		2/96			84	84	40	44
		3/96			119	119	58	61
		4/96				128	62	66
		5/96	9/96	5	123	615	300	315
		10/96				128	62	66
		11/96				128	62	66
		12/96				123	60	63
		1/97	2/97	2	122	244	115	129
		3/97	4/97	2	130	260	124	136
		5/97				109	54	55
		6/97	7/97	2	126	252	119	133
		8/97		1		130	62	68
		9/97		1		128	58	70
		10/97	12/97	3	130	390	186	204
		1/97	3/97	3	133	399	186	213
		4/97		1	128	128	60	68
		5/97			129	129	60	69
							Total	1892
2B	Saheb Reddy, T.C	1/96	12/96	12	136	1632	804	828
		1/97	12/97	12	139	1668	816	852

		1/98	5/98	5	142	710	345	365
							Total	2045
3	Ranjit Pattanaik,T.C	1/96	12/96	12	133	1596	768	828
		1/97	12/97	12	136	1632	792	840
		1/98	5/98	5	139	695	335	360
							Total	2028
4	Satyanarayan Dash T.C	1/96	12/96	12	128	1536	672	864
		1/97	12/97	12	130	1560	672	888
		1/98	5/98	5	130	650	280	370
							Total	2122
5	G.Jagannath, OTC	1/96	12/96	12	142	1704	852	852
		1/97	12/97	12	146	1752	864	888
		1/98	5/98	5	149	745	365	380
							Total	2120
6	Sukuru Sethy,OTC	1/96	12/96	12	136	1632	816	816
		1/97	12/97	12	139	1668	828	840
		1/98	5/98	5	142	710	355	355
							Total	2011
7	Lingaraj Pattanaik,OTC	1/96	12/96	12	136	1632	804	828
		1/97	12/97	12	139	1668	816	852
		1/98	5/98	5	142	710	345	365
							Total	2045
8	Harikrushna Sahu,OTC	1/97	12/96	12	133	1596	768	828
		1/97	12/97	12	136	1632	792	840
		1/98	5/98	5	139	695	335	360
							Total	2028
9	Prabhakar Mekaup,OTC	1/96	12/96	12	128	1536	708	828
		1/97	12/97	12	133	1596	720	876
		1/98	5/98	5	136	680	305	375
							Total	2079
10	Balkrushna Panigrahi,OTC	1/96	5/98	5	130	650	285	435
							Total	435
11	P.Jogi,Zamadar	1/96	12/96	12	131	1572	756	816
		1/97	12/97	12	134	1608	756	852
		1/98	5/98	5	137	685	320	365
							Total	2033
12	D.Vankant Patra,peon	1/96	12/96	12	128	1536	708	828
		1/97	12/97	12	130	1560	720	840
		1/98	5/98	5	133	665	305	360

							Total	2028
13	Prakash Sethy,	1/96	12/96	12	128	1536	720	816
		1/97	12/97	12	130	1560	720	840
		1/98	5/98	5	133	665	305	360
							Total	2016
14	Rama Naik, Sweeper	1/96	12/96	12	128	1536	720	816
		1/97	12/97	12	130	1560	732	828
		1/98	5/98	5	133	665	280	385
							Total	2029
15	A.Ghana	1/96	12/96	12	133	1596	768	828
		1/97	12/97	12	136	1632	768	864
		1/98	5/98	5	139	695	330	365
							Total	2057
16	Kasinath Gouda, Sr.Asst.	1/96	12/96	12	168	2016	996	1020
		1/97	12/97	12	171	2052	1020	1032
		1/98	5/98	5	175	875	430	445
							Total	2497
17	G.Narasinglu, Sweeper	1/96	12/96	12	128	1536	708	828
		1/97	12/97	12	130	1560	720	840
		1/98	5/98	5	133	665	305	360
							Total	2028
18	Pandab Sethy, Peon	1/96	12/96	12	128	1536	696	840
		1/97	12/97	12	130	1560	696	864
		1/98	5/98	5	133	665	305	360
							Total	2064
							G.Total	35557

The Excess payment is due to.

- i. Salary paid for the strike period from 29.8.2000 to 25.9.2000 which was not regularized.
- ii. House Rent on 5<sup>th</sup> pay commission. (Vr.no.315/19.8.15) A.R. Page No.84
- iii. Non deduction of Arrear D.A. paid earlier for the period 1.1.98 to 1.5.2002 from the payment of Arrear of 5<sup>th</sup> pay commission for the period 1.1.1996 to 31.12.2005.

Hence the Executive officer is requested to recover the excess payment from the persons responsible.

In response the audit objection memo the local authority remained silent. Hence the para stands on its own merits and the amount Rs.282685.00 is suggested recovery from the person responsible.

**Responsible Person for this paragraph**

Sno	Name	Designation	Adress	Amount(In Rs.)
1	B.Saheb Reddy	Tax Collector	At-Digapahandi NAC Dist-Ganjam	14648
2	Pandab Sethy	peon	At-Digapahandi NAC Dist-Ganjam	13295

3	G.Narasinghlu	peon	At-Digapahandi NAC Dist-Ganjam	13297
4	Kasinath Gouda	Sr.Asst.	At-Digapahandi NAC Dist-Ganjam	18299
5	Prakash Ch.Sethy	peon	At-Digapahandi NAC Dist-Ganjam	13302
6	Manju Naik	Sweeper	At-Digapahandi NAC Dist-Ganjam	8860
7	Sital Naik	Sweeper	At-Digapahandi NAC Dist-Ganjam	8758
8	Boji Naik	Sweeper	At-Digapahandi NAC Dist-Ganjam	8799
9	Brunda Naik	Sweeper	At-Digapahandi NAC Dist-Ganjam	8795
10	G.Jagannath	Tax Collector	At-Digapahandi NAC Dist-Ganjam	15447
11	Ram Naik	Sweeper	At-Digapahandi NAC Dist-Ganjam	12776
12	Ujawal Naik	Sweeper	At-Digapahandi NAC Dist-Ganjam	9253
13	P.Jogi	Zamadar	At-Digapahandi NAC Dist-Ganjam	13792
14	D.Venket Patra	peon	At-Digapahandi NAC Dist-Ganjam	13274
15	Balakrushna Panigrahy	Tax Collector	At-Digapahandi NAC Dist-Ganjam	11234
16	Prabhakar Makap	Tax Collector	At-Digapahandi NAC Dist-Ganjam	13478
17	Harekrushna Sahu	Tax Collector	At-Digapahandi NAC Dist-Ganjam	14169
18	Sukuru Sethy	Tax Collector	At-Digapahandi NAC Dist-Ganjam	14828
19	Satya Narayana Dash	Tax Collector	At-Digapahandi NAC Dist-Ganjam	13263
20	Lingaraj Patanaik	Tax Collector	At-Digapahandi NAC Dist-Ganjam	14741
21	Ranjit Patanaik	Tax Collector	At-Digapahandi NAC Dist-Ganjam	14170
22	A.Ggama	Sweeper	At-Digapahandi NAC Dist-Ganjam	14186

**14.5 - Irregular engagement of Consolidated Staff/DLR -**

As per provision contained in section 73(1) of the Odisha Municipal Act-1950, every municipality with the previous sanction of the state Govt. further as per provisions of Section 73(2) of the Act, Municipality may in case of emergency make provision for temporary employment of employees for a period not exceeding 44 days. Section 73-A(2) stipulates that the pay and allowances paid to the person whose appointment is in contravention of the provisions of the this Act shall be deemed to be an illegal payment and a loss to the municipality and the same shall be recoverable by surcharge proceeding as per OLFA Act 1948. Further circular No. Mis 129/2000/3605/HUD dated 15.12.2000 clearly speaks about the disengagement of DLR/NMRs /CMSs after the date 19.05.1997. On checking of the vouchers/ARs for the year under audit, it was seen that Payment has been made to DLR/NMR engaged on daily basis for electrical, office work, which is highly irregular and violation of Office order 19941/HUD Dt.14.9.81,17815/HUD,Dt.12.4.09 read with 36051/HUD/Dt.5.10.04,20133/HUD/28.9.04.

Sl no	Name of the staff	Desingnation	Account Number
1	Purna Chandra Padhy	Doctor	0394101024545
2	Durga Madhab Pradhan	Asst.Market Tax Collector	03941010009719
3	Madhusudan Das	Asst.Market Tax Collector	0394101021269
4	Sudam Behera	Asst.Market Tax Collector	0394101024305
5	B.Raghunath Reddy	Office Night Watcher	0394108022147
6	Sankar Swain	Tank Watcher	03941010244409
7	Bijayanti Nayak	Sweeper	0394108022137
8	Urmila Nayak	Sweeper	0394108022136

9	Kamani Nayak	Sweeper	0394108022135
10	Mamata Chaudhury	Peon	0394101022323
11	Santosh Kumar Padhy	Computer Asst.	
12	Kasinath Gouda	Office Asst.	

In response to POM the local authority stated that the DLR's have been engaged for electrical and office purpose and the process of privatisation of sanitation work has been taken up during 2014-15 and contractual staff have been engaged for the smooth functioning of the NAC, however steps would be taken for post facto approval of Govt,

**PARA: 15 AUDIT ON WORKS**

**15.1 -**

On checking the Work Case Records with reference to the connected MBs , estimate and analysis of Rate it is found that a sum of Rs. 156.40/ cum is paid to the executants to remove the surplus earth by mechanical means within a lead of 5 km. This includes loading and unloading of earth within 50 m lead @ 79.00/ cum. Out of which 2/3 rd is considered for loading and 1/3<sup>rd</sup> is considered for unloading of the earth. However loading charge 2/3 X 79.00= Rs. 52.00 is not admissible as during earth work excavation Labour is provided for initial lead of 50 m. Hence the excess payment paid to the executants @52.00/cum needs recovery from the persons responsible.

Name of project	Name of J.E	M.B.No	Surplus earth Qnty.of	Excess Payment
Construction of Drain at Bholanath Nagar from Laba Mahanty house back side	J.E-Laxmi Singh, ME-Prakash Kumar Rao Agency -Tuna Sethy	84/page no 61 to 65	38.26cum	@52= Rs.1989.00

In response to audit objection the Local Authority agreed to recover the said amount from the SD of the Executant and the rest if any will be recovered from the persons responsible.

However till the close of Audit no such recovery has been made in this regard. For such irregularity the JE & ME are squarely responsible. Hence the said amount is suggested recovery from the JE and ME.

During Exit conference the local authority stated that the amount Rs.1989.00 vide MR. No. 610 dated 23.05.2018. Hence the para is dropped.

**15.2 - EXCESS PAYMENT TOWARDS TRANSPORTATION OF SURPLUS EARTH**

On checking the Work Case Records with reference to the connected MBs , estimate and analysis of Rate it is found that a sum of Rs. 156.40/ cum is paid to the executants to remove the surplus earth by mechanical means within a lead of 5 km. This includes loading and unloading of earth within 50 m lead @ 79.00/ cum. Out of which 2/3 rd is considered for loading and 1/3<sup>rd</sup> is considered for unloading of the earth. However loading charge 2/3 X 79.00= Rs. 52.00 is not admissible as during earth work excavation Labour is provided for initial lead of 50 m. Hence the excess payment paid to the executants @52.00/cum needs recovery from the persons responsible

Name of project	Name of J.E	M.B.No	Surplus earth Qnty.of	Excess Payment
Construction of Bishnu Priya nagar Road with Drain .Word No-02	J.E-Laxmi Singh, ME-Prakash Kumar Rao Agency -Tuna Sethy	85 /page no-28 to 36	73.53 cum	@52= Rs.3283.00

In response to audit objection the Local Authority agreed to recover the said amount from the SD of the Executant and the rest if any will be recovered from the persons responsible.

However till the close of Audit no such recovery has been made in this regard. For such irregularity the JE & ME are squarely responsible. Hence the said amount is suggested recovery from the JE and ME.

During Exit conference the local authority stated that the amount Rs.3283.00 vide MR. No. 611 dated 23.05.2018. Hence the para is dropped.

**15.3 - EXCESS PAYMENT TOWARDS TRANSPORT OF SURPLUS EARTH**

On checking the Work Case Records with reference to the connected MBs , estimate and analysis of Rate it is found that a sum of Rs. 156.40/ cum is paid to the executants to remove the surplus earth by mechanical means within a lead of 5 km. This includes loading and unloading of earth within 50 m lead @ 79.00/ cum. Out of which 2/3 rd is considered for loading and 1/3<sup>rd</sup> is considered for unloading of the earth. However loading charge 2/3 X 79.00= Rs. 52.00 is not admissible as during earth work excavation Labour is provided for initial lead of 50 m. Hence the excess payment paid to the executants @52.00/cum needs recovery from the persons responsible.

Name of project	Name of J.E	M.B.No	Surplus earth Qnty.of	Excess Payment
construction of drain from existing drain in front of police station	J.E-Laxmi Singh, ME-Prakash Kumar Rao Agency -K. Bapuji Kumar	92/06 to 09	122.40 cum	@52= Rs.6364.00

In response to audit objection the Local Authority agreed to recover the said amount from the SD of the Executant and the rest if any will be recovered from the persons responsible.

However till the close of Audit no such recovery has been made in this regard. For such irregularity the JE & ME are squarely responsible. Hence the said amount is suggested recovery from the JE and ME.

During Exit conference the local authority stated that the amount Rs.6364.00 vide MR. No. 612 dated 23.05.2018. Hence the para is dropped.

**15.4 - EXCESS PAYMENT TOWARDS CC11.53**

Name of the work- Construction of work C.C.Drain from Ladukishore pattanaik House to Ramachandra House ,Ward No.01

Est.cost.-117500/-

J.E-Laxmi Singh

M.E- Prakash Kumar Rao

M.B.No.84 Page No 52 to 56

Excess payment towards T.C(1:11/2:3)

On checking the case record with reference to the connected M.B it is found that in CC (1:11/2:3) at the drain bed the width is taken 0.60m instead of 0.5 which is overwritten. This leads to an excess payment as follows

As per MB	As per Audit
1X10.5X0.6X0.1= 0.63	1X10.5X0.50X0.1= 0.525
1X30X0.6X0.10= 1.8	1X30X0.50X0.10= 1.5
1X12.00X0.60X0.10= 0.72	1X12.00X0.50X0.10= 0.6
1X1.05X0.60X0.10= 0.06	1X1.05X0.50X0.10= 0.05
Total= 3.21 cum	Total = 2.675cum

Hence the excess payment of Rs. 0.535 cum @ 6095.40 = Rs. 3261.00

In response to audit objection the Local Authority agreed to recover the said amount from the SD of the Executant and the rest if any will be recovered from the persons responsible.

However till the close of Audit no such recovery has been made in this regard. For such irregularity the JE & ME are squarely responsible. Hence the said amount is suggested recovery from the JE and ME.

During Exit conference the local authority stated that the amount Rs.3261.00 vide MR. No. 613 dated 23.05.2018. Hence the para is dropped.

**15.6 - Non production of register of estimate & allotment in Form No.W-I**

As per Rule 332 of Odisha Municipal Rules 1953POM-52 In obedience to Rule 332 of Odisha Municipal Rules 1953, the M.E shall furnish annually a statement of works with estimated cost to be executed during the ensuing year to the council in time before the preparation of budget and final ion of works. The ion of works rests with the council. All estimates shall be countersigned by the Chairman and laid before the council for administrative approval / sanction. A copy of the resolution passed thereon shall accompany the estimate. A register of estimate and allotments shall be maintained in Form No-W-1, if maintained may be produced to Audit.

In response to POM the local authority stated that it is noted for further guidance. However the local authority is suggested to adhere to the rules and regulation if future and compliance reported.

**15.7 - Non submission of completion certificate as required under rule 344 of Odisha Municipal Rules 1953**

As per Rule 344 of Odisha Municipal Rules 1953 when a work is completed a completion certificate signed by the M.E / E.O certifying that the work has been satisfactorily completed shall be submitted along with the final bill and in the absence of such a certificate no contractor should be finally paid up. But it is found in all most all the case records, these aspects have been completely violated. In response to the local authority remained silent.

However the local authority is suggested to adhere to the rules and regulation if future and compliance reported.

**PARA: 16 AUDIT ON UNITS / DEPARTMENT**

**16.1 -**

No separate unit/department has been operated in this NAC

**PARA: 17 AUDIT ON SCHEMES / PROGRAMMES**

**17.1 - Schemewise target and achievement**

After several verbal approach the work register of Development works is not produced before audit. How ever the scheme wise financial position of Target and achievement is derived from the available records/registers and wrt the previous Audit Report.

**SCHEME WISE TARGET SET UP AND ACHIEVEMENT(FINANCIAL**

SL NO	SCHEMES	OB	RECEIPT	TOTAL	UTILISED	CB	%
1	C.C.Road	1171236.00	0.00	1171236.00	0.00	1171236.00	0
2	R.D	1635222.00	0.00	1635222.00	0.00	1635222.00	0
3	13th FCA(Mnt of R&B)	4175503.00	1511000.00	5686503.00	512138.00	5174365.00	9.006203
4	14th FCA	3664000.00	5120000.00	8784000.00	0.00	8784000.00	0

5	BRGF	2383925.00	0.00	2383925.00	1476025.00	907900.00	61.91575
6	MV Tax	2520202.00	974000.00	3494202.00	441000.00	3053202.00	12.62091
7	Devolution Fund	4853725.00	3644000.00	8497725.00	0.00	8497725.00	0
8	General Area basis Grant	1948900.00	0.00	1948900.00	1430094.00	518806.00	73.37955
9	MLALAD	1134872.00	0.00	1134872.00	0.00	1134872.00	0
10	MPLAD	380695.00	0.00	380695.00	0.00	380695.00	0
11	13TH FC	3339791.00	0.00	3339791.00	2844507.00	495284.00	85.17021
	Total	27208071.00	11249000.00	38457071.00	6703764.00	31753307.00	17.43181

From above table it is concluded that the Local Authority has not taken lenient effort to utilise the Govt. Grant for the intended purpose. The percentage of Achievement is very poor. Hence the Local Authority is advised to take sincere steps to utilise the cent percent of Grant according to the Prescribed Guideline.

**PARA: 18 MISCELLANEOUS**

**18.1 - Maintenance of account**

The following MERIT AND DEMERITS ARE noticed during the scrutiny of the accountant cash book .

- 1.As per Rule 68 of OM Rules, 1953, the cash and account branches of each municipal office shall be kept distinct from each other, and under different officers who, for the purpose of these rules, shall be termed respectively, cashier and accountant, which has been adhered to in this NAC wherein the cash section and accounts section separate persons are engaged.
- 2.During the year 2016-17 ,it is noticed that cash transaction has been done away keeping in view of the circular No-25808/dtd25.11.2009 of Govt.Of Odisha,H&UD deptt.in which it is clearly mentioned that any payment beyond Rs. 20000 must be disbursed by account payee cheque , this is praise worthy.
- 3.The account section has been operated by contractual personnel, which violates the Govt. Instruction-vide letter No-24970/H, &UD Dtd07.08.2013 read with letter no-1089/H&UD dtd17.01.2014
- 4.Persistence Irregularities Despite issue of repeated suggestion in last and previous audit reports and verbal discussion with the local authority, the following irregularities are continuing till today. Hence sincere steps need to be taken to avoid such irregularities in future
- 5.Old outstanding advances are running years together without adjustment of the same in shape of cash recoveries of vouchers as the cases may be.
6. Physical verification of stock & store are not conducted annually twice as required under Rule-347 of OM Rules. Again as per the provision made under SR-37(II) of OTC Vol-I, the physical verification of cash at the end of the each month is required to be conducted by the Head of office and certificate to that effect is required to be recorded in the cash book.
- 7.According to rule-6, SR-37(VII) of OTC Vol-I, surprise verification of cash at least once in a month is required to be conducted by the Head of office. But this was not done at any time during the period under audit which may be done henceforth.
- 8.As per rule-85(I) of ORISSA MUNICIPAL RULE-1953, all sum received on account of the MUNICIPAL FUND are required to be deposited in the treasury pass book. But in contravention to the aforesaid provision the NAC is depositing the collections/funds in different bank accounts with the plea to meet the immediate need of the NAC as withdrawal of money from treasury is time consuming.
- 9.The Legal suits have not been initiated for collection of taxes before time barred period.
- 10.The audit register may be maintained.
- 11.Security Deposits from staff handling cash, stock and stores have not been realized in contravention to RULE-14 OF OM Rule.
- 12.Stock registers of sanitation, electricals have not been maintained as prescribed, issues not authenticated, nor site registers maintained etc
- 13.No dead stock register has been maintained to watch the stock position of the articles of permanent nature
- 14.No DCB ledgers/register have been maintained regarding holding tax, lease of tanks and agricultural land, market stall, mobile towers, etc

**18.2 - Lack of response/compliance to last and previous Audit Reports-**

The details of compliance submitted to proper quarter for settlement of last and previous audit paras raised in case of LFA audit reports for last five years was asked from the local authority in the below proforma The details of outstanding para of last and previous Audit reports of last

years which is waiting for settlement due non submission of compliance report is given below.

Sl no	Audit Report no with year Account	Paragraph pending for settlement relating to Misappropriation and Loss of stock stores		Paragraph pending for settlement relating to other than Misappropriation and Loss of stock store		Total	
		No of Para	Amount	No of para	Amount	No of para	Amount
1	284311/A.R 2016-17	1	75.00	7	4532056.00	8	4532131.00

The Amount Rs. 3167341.00 kept under objection during 2015-16 vide para no.14.6 is produced to the present audit. The arrear payment is verified with reference the acquittance roll and other relevant documents. The excess payment thereof is reflected in para 14

**18.3 - A.G.Compliance Report**

In response to Audit objection the local authority stated that no AG compliance reports have been received during 2016-17.

**18.4 - Non Maintenance of compliant/grievances register**

In response to POM the local authority remained silent

No separate Compliant/grievance register has been maintained by this NAC

Therefore the local Authority is suggested to maintain a Compliant/grievance register henceforth under intimation to Audit.

**18.5 - Non-issue of Miscellaneous Receipts against Cheques/BDs received from different funding agencies.**

It is found that BDs/Cheques received are recorded in the BD Register but no receipts are issued against them. If receipts are not issued, the said BDs/Cheque amount may not be accounted for leading to loss to the institution. The local authority is to see to the matter and instruct the cashier to issue receipts against BDs/Cheques received. In response to POM the local authority stated that most of the receipts are through RTGS/PL Account and MRs will be issued against receipt of bank drafts

**18.6 - Position of Compost Manure.**

As per Rule 559 of OM Rules, 1953, the council shall maintain at least one compost depot having roughly an area of 3 acres for every 10,000 population, but no such compost depot has been created in this NAC. In response to POM the local authority remained silent.

**PARA: 19 AUDIT OF LOAN/DEPOSITS/CPF INCLUDING POSITIONS**

**19.1 - Non deposit of Government dues/money –**

Non deposit of Govt. money Rule-6 of Odisha Treasury Code Volume-I read with Rule-4 of Odisha General Financial Rules stipulates that all money received/realised on behalf of Government should be deposited in full by the competent authority within three days of receipt of the

same. Retention of Government money/revenue outside the Govt, account is highly irregular and not permissible. In violation to the above instruction the following Govt. dues such as Royalty, VAT, Labour Cess realised from different work bills/employees during the year 2015-16 are yet to be deposited as per details furnished below.

	OB	Receipt	Total	Deposit	Balance
Royalty	125465.00	309524.00	434989.00	309668.00	125321.00
Vat	-7419.00	480437.00	473018.00	472814.00	204.00
cess	221873.00	88071.00	309944.00	179044.00	130900.00
IT	-1199.00	113783.00	112584.00	134919.00	-22335.00
PT	2875.00	41975.00	44850.00	44850.00	0.00
Total	341595.00	1033790.00	1375385.00	1141295.00	234090.00

In total Rs.234090.00 is remaining outstanding against this NAC for deposit to proper quarters as on 31.03.2017 which is quite irregular. The Executive officer is suggested to take fruitful action for deposit of same to proper quarter and the reasons of such non remittance of Govt, dues and present status may be reported to audit were sought through POM. In response to which the local authority stated that all amounts collected during 2016-17 have been deposited in 2017-18, however the balance if any may be deposited in proper head of accounts. till then the amount of Rs. 234090.00 is held under objection

## 19.2 - LOAN

The positions of loan as on 31.03.2017 is furnished below as per the last & previous audit reports as no loan register has been maintained in this NAC

Detail of Govt. Loan outstanding in respect of Digapahandi NAC for the year 2016-17							
Si.no	Name of the Loan		O.B	Received	Total	Refunded	C.B
		Principal	2074307.00	0.00	2074307.00	0.00	2074307.00
		Interest	3323432.00	0.00	3323432.00	0.00	3323432.00
		G.Total	5397739.00	0.00	5397739.00	0.00	5397739.00

.Details as per last audit report From this loan statement it was seen that there is a balance of Rs.5397739.00 towards repayment of loans as on 31.3.17. Early steps need be taken for repayment of outstanding loans and compliance reported. The loan ledger could not be made available to audit for verification. The E.O.is advised to maintain the same in Form No-XXVII Rule-70 and regulate the loan account in accordance to rules -149 and 150 of O.M. rules-1953. In response to POM the local authority remained silent. It is instructed to repay the loan amount out of prescribed grant/own fund in order to check the enhancement of liability from year to year.

## 19.3 - Security deposit/EMD –

An abstract position of deposits for the year 2016-17 is furnished below. But the year wise break up of outstanding deposits could not be worked out due to non maintenance of register of outstanding deposit in form No-XXI prescribed in Rule-70 and 143 of O.M. Rule-1953.

	OB	Receipt	Total	Deposit	Balance
SD/EMD	1802906.31	728686.00	2531592.31	565103.00	1966489.31

From the above figure it is noticed that a huge amount of deposit i.e. Rs.1966489.31 is lying with the closing balance of this NAC as on 31.03.2017, which is a liability to this NAC. In response the local authority stated that the outstanding deposit ledger will be maintained henceforth. The local authority is suggested to personally look into this matter that the postings of the deposit ledger as well as the outstanding deposit ledger is maintained properly in the prescribed format.

**PARA: 20 RESULT OF AUDIT**

**20.1 - General Remarks**

Maintenance of account of the NAC needs to be improved. The NAC has adopted the computerized accounting systems as advised by the department. The internal sources of income is far too low in comparison with the expenditure due to engagement of staff beyond the approved strength and without approval of the Govt. Huge Govt Dues or taxes outstanding for remittance to Govt Exchequers as on 31.03.2017.

Recommendation:- For strengthening of the financial position and enforcing financial discipline of the urban local bodies may follow the suggestions given below

- 1) Collection of long outstanding taxes and other dues through special drive .
- 2) Enforcement of provision led U/s 161,162,163 & 201 of the Odisha Municipal Act,
- 3) Survey of new holdings by collecting data from different sources like from electric department about new electricity connections within the NAC area,
- 4) Assessment of new holdings.
- 5) Revaluation of old assessed cases, if any,
- 6) Mobilization for collection of taxes & dues from Mobile towers.

**Result Of Audit**

SI No	Name Of The Paragraph	Amount suggested for recovery(In Rs:)	Amount kept on objection(In Rs:)	Amount Surchargeable(In Rs:)	Amount Embezzlement(In Rs:)	Amount Othercases(In Rs:)	Remarks
1	13.3	0.00	146500.00	0.00	0.00	0.00	
2	14.1	0.00	11519.00	0.00	0.00	0.00	
3	14.3	0.00	5400.00	0.00	0.00	0.00	
4	14.4	282664.00	282664.00	282664.00	0.00	0.00	
5	19.1	0.00	234090.00	0.00	0.00	0.00	
<b>Total</b>		<b>282664.00</b>	<b>680173.00</b>	<b>282664.00</b>	<b>0.00</b>	<b>0.00</b>	

**Audit Certificate**

Certified that the accounts of Digapahandi NAC for the financial year 2016-2017 have been covered under audit and found correct subject to the comments / remarks offered in the foregoing paragraphs .

Spot Recovery